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FBIS-EAS-91-131 CONTENTS 9 July 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Cabinet Agrees To Seek Uruguay Round Settlement *[KYODO]* 1
Kaifu To Explain Basic Rice Policy to Bush *[KYODO]* 1
Kaifu To Consider Environmental Effects of ODA *[KYODO]* 1
U.S. Major General's Remarks Criticized 2
    SDPJ-Okinawa Protests *[OKINAWA TIMES 9 Jul]* 2
    RYUKYU SHIMPO Editorial *[9 Jul]* 2
Naha Villagers Demand Training Site Withdrawal *[OKINAWA TIMES 5 Jul]* 3
KYODO Reports U.S. Plans During WWII 3
LDP, SDP Officials Leave for Cambodia *[KYODO]* 4
Kaifu, ROK President Speak on G-7 Talks *[KYODO]* 4
Union Leader Comments on South African Sanctions *[KYODO]* 4
Tokyo To Give 70 Billion Yen to Gulf Fund *[KYODO]* 5
Securities Association Selects New Chairman *[KYODO]* 5
Punishment for Securities Officials Announced *[KYODO]* 5
Hashimoto Blames Securities Industry for Slump *[KYODO]* 6
Government, LDP Continue Rice Price Talks *[KYODO]* 6
Farmers Protest Moves To Open Rice Market *[KYODO]* 6
FY '92 Defense Outlay Growth Lowest in 30 Years *[KYODO]* 7
LDP Panels Back Defense Budget Increase *[KYODO]* 7
Social Democratic Party To Hold Elections 8
    Tanabe Announces Candidacy *[KYODO]* 8
    Ueda Announces Candidacy *[KYODO]* 8
    Candidates Register *[KYODO]* 8
    Tanabe, Ueda Kick Off Campaigns *[KYODO]* 9
    Ueda Criticizes Reform Plan *[KYODO]* 9
    Labor Group Supports Tanabe *[KYODO]* 10
Incumbent Miyazaki Governor Defeats Challenger *[KYODO]* 10
LDP Panel Decision on Reform Withdrawn *[KYODO]* 10
Campaign Against LDP Reform Bills Begins *[Tokyo TV]* 11
DSP Chairman Urges 'New Political Force' *[KYODO]* 11
OECD Sees Growth Slowing to Sustainable Rate *[KYODO]* 11
OECD Estimates Trade Surplus at $94 Billion *[KYODO]* 12
EPA Report Reveals Concern Over Trading Rate *[KYODO]* 13
Council Urges Shift Priorites to Better Lives *[KYODO]* 13
Government Divides Public Works Between Firms *[KYODO]* 14
MITI Announces Large Retail Store Approvals *[KYODO]* 14
Government To Cut 39,048 Jobs Over 5 Years *[KYODO]* 14
Computer Screen Makers Deny U.S. Charges *[KYODO]* 14
Hitachi Automates 'Fuzzy' System Development *[KYODO]* 15
NEC Develops Electro-Photonic Device *[KYODO]* 15
NTT Builds Flouride Optical Fiber Amplifier *[KYODO]* 15
Ministry To Help Set Up Gene Lab in Pakistan *[KYODO]* 16

Mongolia

New Draft Constitution Released for Discussion *[Ulaanbaatar International]* 16
Vice President Interviewed on PRC Visit *[Ulaanbaatar International]* 16
    Further on Relations *[Beijing XINHUA]* 17

Legal Cooperation Protocol With PRC Signed *[Beijing XINHUA]* 17
Border Post Opened With PRC in Xinjiang *[Beijing XINHUA]* 17

North Korea

South Korea Refuses To Accept Students' Letter *[KCNA]* 17
South's Crackdown on 'Democratic Forces' Viewed *[KCNA]* 18
Reunification Alliance Meets With Students *[KCNA]* 18
Daily Views G-7 Stance on Nuclear Inspections *[KCNA]* 19
Delegates, Han Si-hae Return From U.S. Visit *[Pyongyang Radio]* 19
No Tae-u's Trip to U.S. Condemned in Papers *[KCNA]* 19
Soviet Ambassador's Reception Marks Anniversary *[KCNA]* 20
Dailies Commemorate Soviet Treaty Anniversary *[KCNA]* 20
Local Assemblies in Japan Urge Ties With North *[KCNA]* 21
Yi Chong-ok Speaks at Banquet for Portuguese *[KCNA]* 21
Yi Chong-ok Attends Meeting on Machine Movement *[KCNA]* 22
Daily Explains 'Chuche' Leads to Independence *[KCNA]* 22
KCNA Review of 5 Jul Pyongyang Press 23

South Korea

Nuclear Inspection To Be Discussed at G-7 *[YONHAP]* 24
North 'To Negotiate' IAEA Accord Signing *[YONHAP]* 24
North Submits Application for UN Membership *[YONHAP]* 25
    Envoy 'Unhappy' Over Application *[YONHAP]* 25
    Yi Sang-ok Welcomes Application *[YONHAP]* 25
No Tae-u Urges Cabinet To Advance Unification *[YONHAP]* 26
South To Propose Joint Celebration With North *[YONHAP]* 26
'Plans To Hold' Pilgrimage With North Reported *[YONHAP]* 26
Two Arrested for Helping Students Violate Law *[THE KOREA HERALD 4 Jul]* 27
Prime Minister Chong Hints at Retaining NSL *[YONHAP]* 27
Contact Lost With Pak Chol-on on PRC Visit *[YONHAP]* 27
PRC Fishing Boats Expelled From South Waters *[THE KOREA HERALD 3 Jul]* 28
Joint Venture Ferry To Begin With PRC *[YONHAP]* 28
Container Shipping Service With China Planned *[YONHAP]* 28
Jan-May Imports From China Statistics Reported *[YONHAP]* 28
Illegally Employed Korean-Chinese 'Increasing' *[THE KOREA HERALD 7 Jul]* 29
Yi Pong-so, Canadian Trade Minister Hold Talks *[YONHAP]* 30
No Tae-u, Brian Mulroney News Conference Noted *[YONHAP]* 30
Memorandum of Understanding Signed With Canada *[YONHAP]* 31
Spokesman Recaps No Tae-u-Brian Mulroney Talks *[YONHAP]* 31
Nuclear Research Projects Agreed on With Canada *[YONHAP]* 32
More Talks To Follow Seoul-Washington Summit *[YONHAP]* 32
Survey Views No's Visit to U.S. Favorably *[YONHAP]* 32
Lawmakers Form Faction To Oust Kim Tae-chung *[THE KOREA TIMES 4 Jul]* 33
DLP Favors Feb 1992 for General Elections *[YONHAP]* 33
City, Provincial Councils Elect Leaders 8 Jul *[YONHAP]* 33
Party-Designated Leaders Spurned in Elections *[THE KOREA TIMES 9 Jul]* 34
Seoul Reportedly To Accept Nice Accord in 1992 *[THE KOREA ECONOMIC JOURNAL 9 Jul]* 34
Foreign Shipping Firms To Engage in Trucking *[THE KOREA TIMES 6 Jul]* 34
First-Quarter Foreign Debt Reportedly Increases *[YONHAP]* 35
First-Half Trading on Stock Exchange Declines *[YONHAP]* 35
First-Half Average Wage Increase Rate Reported *[THE KOREA HERALD 4 Jul]* 35

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Commentary Hails Mahathir's Latin American Tour *[Kuala Lumpur International]* ... 36
Japanese Politicians Arrive in Kuala Lumpur *[KYODO]* ... 36
Foreigners Warned Against Meddling in Affairs *[BERNAMA]* ... 36
Minister Cites Economic Benefits of EAEG *[BERNAMA]* ... 37

Singapore

F-16s Collide in Exercise Over South China Sea *[Singapore Radio]* ... 37
Goh Says Government Cannot Yield to People *[THE STRAITS TIMES 8 Jul]* ... 37
Goh Rules Out Dual Citizenship for Singaporeans *[THE STRAITS TIMES 8 Jul]* ... 38

Cambodia

Indian Rice Given in Response to Aid Appeal *[SPK]* ... 39
International Organizations Give Aid to Refugees *[SPK]* ... 39
WFP Donates Rice to War Victims in Battambang *[SPK]* ... 40
Oil Exploration, Privatization Programs Reported *[SPK]* ... 40
UNESCO Official Received by Chea Sim *[SPK]* ... 40
Vietnamese, Lao Health Delegations Arrive *[SPK]* ... 40
Hun Sen Chairs Council of Ministers Plenum *[Phnom Penh Radio]* ... 40
SPK Reports on State's Land Allotment Process ... 41
Recapitulative Meeting in 2d Army Region Reported *[Phnom Penh Radio]* ... 41
Banditry Expected To Plague Postwar Country *[AFP]* ... 41
Siem Reap, Kratie Welcome More Returnees *[SPK]* ... 42
SNC Representation Sought at 'All Levels' *[AFP]* ... 42
DK Stance on UN Force's Role, Presence *[Radio VONADK]* ... 42
VODK Appeals to People To Join SNC ... 43
VODK Commentary on Role of UN Force ... 43
Phnom Penh Urged To Stop Serving SRV Interest *[Radio VODK]* ... 44
Peaceful Settlement of Truce Violations Urged *[Radio VOK]* ... 44

Indonesia

Suharto Leaves for Home From Germany 8 Jul *[Jakarta Radio]* ... 45
Suharto, German Leaders on Economics, Territory *[ANTARA]* ... 45
Military Commander Vows To Track Down Rebels *[ANTARA]* ... 46
Minister Against Pre-Election Political Petition *[Jakarta Radio]* ... 46

Philippines

Senate Committee Discusses U.S. Nuclear Weapons *[Quezon City Radio]* ... 46
U.S. Ambassador Platt's Parting Words Hailed *[PHILIPPINE DAILY INQUIRER 6 Jul]* ... 47
Bases Phaseout, New U.S. Relationship Urged *[THE MANILA CHRONICLE 6 Jul]* ... 47
Talks Resume With Taiwan on Fishing Rights *[Quezon City Radio]* ... 49
    Cooperation Agreement Signed *[MALAYA 8 Jul]* ... 49
    PRC Opposes Fishing Accord *[PHILIPPINES NEWSDAY 9 Jul]* ... 50
Envoy to Kuwait Files Claims Against Iraq *[MANILA BULLETIN 7 Jul]* ... 50
Aquino's Address on Science, Technology Week *[Quezon City Radio]* ... 51
PDP-Laban Chairman Pimentel on Party's Program *[MANILA BULLETIN 8 Jul]* ... 51
Orbos Resignation Said Proof of Weak Leadership *[THE CHRONICLE 8 Jul]* ... 52
Aquino Reiterates No Rollback in Oil Prices *[THE CHRONICLE 9 Jul]* ... 53
Abadia Declares Red Alert Status Before Strike *[Manila Radio]* ... 53
Transport Group Leads Strike Over Oil Price *[THE CHRONICLE 9 Jul]* ... 54
New Defense Chief Not To 'Derail' Programs *[MANILA BULLETIN 8 Jul]* ... 55
Ramos Expresses Opposition to Military Rule *[MANILA BULLETIN 7 Jul]* ... 55

Abadia Says Fugitive Honasan Willing To Talk *[THE CHRONICLE 9 Jul]* 55
Bombers Confess to Rebel Military Affiliation *[MANILA BULLETIN 8 Jul]* 56
AFP, Police Step Up Counterinsurgency Transfer *[MANILA BULLETIN 7 Jul]* 56
Government Not To Hold Talks With NDF *[Quezon City Radio]* 57
Territorial Defense Strengthened in Davao Sur *[THE MINDANAO DAILY MIRROR 3 Jul]* 57
Nationwide Alert for CPP-NPA Activities *[Manila Radio]* 57
'Teamwork' Needed Against Communist Insurgency *[MALAYA 5 Jul]* 57
'Most Wanted' CCP-NPA Rebel Leader Captured *[MANILA BULLETIN 7 Jul]* 58
Missing Korean Priest Said Seen During Clash *[PHILIPPINE DAILY INQUIRER 9 Jul]* 58
Lifting of Foreign Exchange Holdings Limit Urged *[THE CHRONICLE 5 Jul]* 59
Government Seeks Early Release of Forestry Loan *[THE CHRONICLE 9 Jul]* 59
Effects of Davao City Six-Month Drought Noted *[THE MINDANAO DAILY MIRROR 4 Jul]* 60
Drought Reportedly Ruins Corn Crop in Luzon *[THE CHRONICLE 5 Jul]* 60

Thailand

Spokesman Denies Report on Malaysian Protest *[Bankok TV]* 61
Dailies View Recent Malaysian Border Conflict *[MATICHON 8 Jul, etc]* 61
No 'Significant Shift in Policy' Seen in SRV *[Radio VOFA]* 62
Police To Crackdown on Dissident Students *[THE NATION 9 Jul]* 62
Governor Plays Down Mekong Islands Row *[BANGKOK POST 9 Jul]* 63
Speaker of Cambodian Assembly To Stop Over *[THE NATION 9 Jul]* 63
Union Confederation Plans No Sanctions *[BANGKOK POST 4 Jul]* 64
Labor Department Bans ICFTU Meeting *[THE NATION 4 Jul]* 64
Labor Movement Threatens 'Major Demonstration' *[THE NATION 8 Jul]* 64
Supreme Commander on Labor Leader's Disappearance *[THE NATION 9 Jul]* 65
Exploitation To Be Curbed by Labor Department *[BANGKOK POST 8 Jul]* 65
Party Leader Warns National Peacekeeping Council *[THE NATION 9 Jul]* 66
Ex-Secretary General on Political Role of Army *[BANGKOK POST 9 Jul]* 66
Panelists Criticize Government's Performance *[THE NATION 9 Jul]* 67
Two Former MP's Criticize New Electoral System *[BANGKOK POST 9 Jul]* 68

Vietnam

U.S. Congressmen Urge Lifting of Embargo *[Hanoi International]* 68
Commentary on Cambodian, Laotian Relations *[Bangkok THE NATION 8 Jul]* 69
NHAN DAN Supports Korean Reunification Plan *[VNA]* 70
Conference Held on Tax Law Dissemination *[Hanoi Radio]* 70
Athletes Selected To Participate in Sea Games *[VNA]* 71
Kien Giang Installs Television Receiving Station *[Hanoi TV]* 71

AUSTRALASIA

Australia

Satellite Station To Be Installed in Kazakhstan *[Melbourne International]* 72

New Zealand

Revenue Minister To Attend French Celebration *[AFP]* 73
Jobless Account for Over 10 Percent of Workforce *[AFP]* 73

Vanuatu

Prime Minister Tries To Suspend Party Chief *[AFP]* 73

Japan

Cabinet Agrees To Seek Uruguay Round Settlement

OW0907055191 Tokyo KYODO in English 0415 GMT 9 Jul 91

[Text] Tokyo, July 9 KYODO—Government leaders agreed Tuesday that Japan should seek settlement of the Uruguay Round multilateral trade negotiations by the end of this year, officials said.

They said the agreement came when main members of the cabinet met to discuss Japanese policies toward the London summit of seven major industrial nations next week.

Foreign Minister Taro Nakayama told the meeting that the Uruguay Round negotiations are encountering difficulties over agriculture, services, and market access, the officials said.

Nakayama was also quoted as saying negotiations were especially difficult in the ongoing efforts to seek a breakthrough on agricultural issues by the end of July.

International Trade and Industry Minister Eiichi Nakao told the meeting that Japan, as a beneficiary of free trade, would be mostly seriously affected by a breakdown in the negotiations, the officials said.

Nakao said Japan should play a more active role in the negotiations concerning market access and services.

Agriculture, Forestry and Fisheries Minister Motoji Kondo said Japan should try to have its policy of maintaining "food security" incorporated in an economic declaration to be issued at the summit, they said.

Nakayama said he will work hard toward that end.

Nakao later told reporters that he sees little chance of progress on agricultural trade reform at the London summit.

"Although the farm issue is important, it is only one of the pending issues of the Uruguay Round, and we should move on with other issues (such as protection of intellectual property rights and services)," he said.

Kaifu To Explain Basic Rice Policy to Bush

OW0907125291 Tokyo KYODO in English 1216 GMT 9 Jul 91

[Text] Tokyo, July 9 KYODO—Prime Minister Toshiki Kaifu will explain Japan's basic rice policy to U.S. President George Bush at their meeting in the United States on Thursday, according to a senior Foreign Ministry official.

Kaifu is scheduled to leave Tokyo on Wednesday for a bilateral summit at Bush's retreat in Maine ahead of the London summit of seven Western industrial nations July 15-17.

Deputy Foreign Minister Hisashi Owada, who returned from a preparatory meeting for the London summit recently, has told reporters Bush has not invited Kaifu for a meeting to press for a decision on the opening of Japan's rice market.

The Kaifu-Bush meeting is an informal get-together, he said, adding Kaifu will explain Japan's basic policy of seeking a solution to farm trade under the Uruguay Round of multilateral trade talks.

Owada said discussions at the London summit will be focused on technical measures for aid to the Soviet Union.

Japan will not insist on a reference to its territorial dispute with Moscow in a joint declaration in accordance with an agreement on the expansion of Japan-Soviet relations, which was reached between the two countries during a visit of Soviet President Mikhail Gorbachev in April, he said.

Owada said Gorbachev is expected to present an outline of his program for economic reconstruction of the country to the summiteers.

Gorbachev was invited to visit London for a post-summit meeting with the Western leaders.

Attending the session will be leaders of Britain, Canada, France, Italy, Germany, Japan, and the United States.

Kaifu To Consider Environmental Effects of ODA

OW0607072191 Tokyo KYODO in English 0628 GMT 6 Jul 91

[Text] Tokyo, July 6 KYODO—Prime Minister Toshiki Kaifu will pledge at the London economic summit this month that Japan will take into account environmental protection in providing official development assistance to developing nations, Foreign Ministry sources said Saturday.

For instance, the sources said, Japan will either refuse to provide funds for projects which could damage the environment or request recipient nations to modify such projects to protect the environment.

Kaifu will represent Japan at the summit of the Group of Seven Western industrialized nations to be held in London July 15-17. The six other countries to be represented at the session are the United States, Britain, Canada, France, Germany, and Italy.

The sources said Kaifu will also tell the summit that Japan will provide know-how to developing countries for projects aimed at protecting the environment, such as reforestation, development of clean energy sources, and prevention of air pollution.

These projects will be given priority in Japan's extension of official development assistance [ODA], they said.

The sources said the Foreign Ministry will prepare a guideline for the screening of aid projects in order to prevent destruction of the environment.

The guideline will be compiled within this year for implementation, starting in the next fiscal year, they said.

U.S. Major General's Remarks Criticized

SDPJ-Okinawa Protests

OW0907024391 Naha OKINAWA TIMES in Japanese 9 Jul 91 Morning Edition p 2

[Text] The Okinawa headquarters of the Social Democratic Party of Japan [SDPJ] issued a statement of protest on 8 July in connection with remarks made by Major General Henry C. Stackpole, U.S. Forces Okinawa area coordinator, at an interview with the English-language paper "STARS AND STRIPES" before he leaves his post. The statement said that remarks, such as "the prosperity on Okinawa is the result of the stationing of U.S. forces for 45 years" clearly reflected the real character of the U.S. forces and the nature of the aggressors; this is an insult and interference against the prefectural government, and is absolutely unacceptable.

The SDPJ Okinawa headquarters plans to protest to the U.S. Consultate General in Okinawa on the major general's misconception.

The statement pointed out that the commanding officer is a military officer stationed in Okinawa, and not an administrative officer. Remarks by him on the administration of the prefecture or of Japan is an abuse of confidence and an act of interference in Japanese internal affairs.

On the major general's remark on the issue of returning the bases that some of the current prefectural administration's policies make land returns more difficult, the statement reproached him for shelving his own responsibility in dealing with base issues as the Okinawa area coordinator, while criticizing the reformist prefectural government, and asserted that this is absolutely intolerable.

In reply to the commanding officer's remarks, the SDPJ Okinawa headquarters stated that: (1) the stationing of U.S. forces in Okinawa is for the purpose of obtaining a forward strategic base for the maintenance of U.S. security, and bases in Okinawa are nothing but bases of aggression in the name of defending Japan; (2) the United States is frantically trying to maintain bases of aggression in Asia; Okinawa absolutely refuses to be a sacrifice in such an effort; (3) U.S. bases form an obstacle to the peace and development of Okinawa; they should be removed immediately.

Chairman Zenshun Arakaki held a news conference at the prefectural press club on 8 July. He expressed indignation by saying "like former High Commissioner Callaway, he treats Okinawan citizens as if he were the occupying authority. He lacks understanding of the present situation. His attitude is an insult to the prefecture's people."

RYUKYU SHIMPO Editorial

OW0907074691 Naha RYUKYU SHIMPO in Japanese 9 Jul 91 Morning Edition p 5

[Editorial: "Intolerable Remarks by Maj. Gen. Stackpole"]

[Text] Major General Henry C. Stackpole, U.S. Forces Okinawa area coordinator (that is, the supreme commanding officer for U.S. Forces in Okinawa), will soon leave Okinawa. However, his remarks in a recent interview with the U.S. Forces organ, the "PACIFIC STARS AND STRIPES," are intolerable to us, the Okinawa prefectural residents.

Governor Masahide Ota, who won the last gubernatorial election with a pledge to have the U.S. bases removed, plans to visit the United States this month to appeal for the removal of bases in Okinawa. While expressing his respect for the governor's view, the major general said: "(However), I do not agree with it. I believe there are some positive aspects to our presence that he does not mention. I am also acutely aware that this prosperity that we see [on Okinawa] is the direct result of those of us in uniform who have served here for 45 years."

Our view is totally different from his.

How can the commanding officer of the U.S. Forces in Okinawa disagree with the view of the Okinawans (the governor, who is elected by prefectural residents, certainly represents the people's view)? Moreover, how could he dare say that Okinawa's prosperity is a direct result of their service?

Since the end of the war, Okinawans have suffered from damage caused by the presence of U.S. Forces. Especially, before Okinawa's reversion to Japan, U.S. Forces neglected civil administration and put a priority on military affairs. Under such direct control by U.S. Forces it was impossible for Okinawans to enjoy peace or prosperity. Nor was democracy guaranteed. It is the U.S. Forces themselves that should know these facts best.

Even today, years after the reversion, the presence of U.S. Forces still constitutes a heavy burden on the people. On 8 July, lessons at the elementary school in Yomitan were disturbed by U.S. paradrop training conducted nearby. In spite of villagers' protests, priority has continuously been given to military activities. The case is the same concerning the urban combat training facility located in Onna Village.

Touching on this issue, Major Gen. Stackpole said: "It poses no threat to the local residential area. I see it as an exceedingly emotional issue with no foundation in fact." Is this true at all?

In addition, Major General Stackpole stated that "some of the current prefectural administration's policies make land returns more difficult", and that "U.S. Forces will remain in Okianwa for many more years". When remarks such as these are taken into consideration, we cannot help but wonder if the U.S. military is really under civilian control. His remarks certainly carry serious significance.

Former conservative Governor Junji Nishime visited the United States twice to appeal for a reduction and overall reconsolidation of military bases in Okinawa. Therefore, the general consensus among the prefectural residents is to have the military base issue settled in one way or another.

As the remarks made by Major General Stackpole concern issues of grave significance, they certainly cannot be ignored.

Naha Villagers Demand Training Site Withdrawal

OW0507100191 Naha OKINAWA TIMES in Japanese 5 July 91 Morning Edition p 31

[Text] Onna—Yoshimi Teramura, Chief of the Naha Defense Facility Administration Bureau [DFAB], recently said that "it is impossible to get the urban-model combat training facility in Camp Hansen in Onna village relocated by the end of this fiscal year." In protest against his remarks, Onna villagers held a village rally on the afternoon of 4 July to call for the immediate removal of the facility. At the rally, a resolution was unanimously adopted on declaring "the Bureau Chief's remarks as absolutely intolerable." Then, they paraded in a rage to the gate of the training facility to protest.

Approximetely 300 villagers gathered at the rally. Village chief Shigemasa Higa expressed his rage and said: "Despite the fact that the village assembly has hitherto adopted the resolution six times to demand removal of the facility, the U.S. forces have continued training at midnight, and such training has already caused two forest fires. The situation has become intolerable. To whom should we make our complaints against the bureau chief's remarks? The villagers feel that our lives are endangered."

Meanwhile, Antoku Miyahira, chairman of the Onna village assembly, regarded the bureau chief's remarks as "ridiculing villagers". Moreover, Yoichi Ikehara, chairman of struggle committee, said that "if situation remains as it is, 'the mountains will be destroyed and the will villages perish.'" And Kazuko Toyama, chairwoman of the Onna Women's Association, said: "Stop bothering villagers with explosive noises by continuing the training." In this way, each speaker strongly announced their determination to demand the removal of the facility.

After shouting the slogan of "Let's fight till the end" three times at the end of rally, they marched toward the facility gate which is about 500 meters off. They protested againist the U.S. forces and shouted "Go home, GIs" in chorus.

KYODO Reports U.S. Plans During WWII

OW0407083691 Tokyo KYODO in English 0740 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—Top U.S. military officials late in World War II planned poison-gas bombings of highly populated Japanese cities in retaliation for Japan's use of poison gas in China, according to official U.S. documents.

The documents also spell out plans for U.S. gas attacks on Japanese troops in China.

Mustard and phosgene gas were to be dropped on Japanese cities in mid-October 1945 to pave the way for a November 1 mainland invasion by U.S. troops, said Prof. Yoshiaki Yoshimi of Chuo University in Tokyo, who found the declassified documents in U.S. archives.

The poison-gas bombings and the invasion, dubbed "Operation Olympic," were preempted by Japan's surrender in August 1945 after the atomic bombings of Hiroshima and Nagasaki.

The documents, which were declassified from top secret in 1958, had lain unnoticed in the national archives in Washington and the historical office of the Aberdeen proving ground in Maryland, according to Yoshimi. He said he found them during a two-year study at the University of Maryland that ended this spring.

The professor provided a copy of the documents to KYODO NEWS SERVICE and said he will unveil the results of his study at an international history symposium on Saturday in Shinjuku, Tokyo.

The 32 pages of strategy documents, drawn up in 1944 and 1945 on instructions from the joint chiefs of staff, cite as an objective the "strategic bombing of an urban area with phosgene bombs to produce gas casualties among unprotected personnel" in the Tokyo area.

One document recommends bombing "17.5 square miles (about 45 square kilometers) of Tokyo directly north of the Imperial Palace and lying west of the Sumida River." It also targets the western cities of Kokura, Nagasaki, Kumamoto, Hiroshima, and Yawata, which had key military and communications installations.

Another document, submitted to U.S. Army Chief of Staff George Marshall, says the United States and the Chinese Nationalist Government of Chiang Kai-shek agreed to use chemical weapons on Japanese troops in China. It said the attacks would try to avoid "needless injury and death upon Chinese civilian populations."

"Prior to the employment of chemical warfare agents in any area in China, the local population will be warned to leave the vicinity of all Japanese forces and installations and to remain away until the Japanese are either dead or have evacuated the area, and the area has been pronounced safe for reoccupation," the document says.

The documents detailing the poison-gas plans were the work of a team headed by Maj. Gen. William Porter of the U.S. Chemical Warfare Service of the then-U.S. War Department.

The joint chiefs ordered the chemical warfare study after President Franklin D. Roosevelt condemned Japan's use of mustard gas against Chinese troops and civilians, the documents say.

In June 1942 Roosevelt threatened the Japanese Government with "full and swift retaliation in kind" if Japan continued the practice.

Phosgene bombs are designed to suffocate their victims. Mustard gas severely blisters victims' moist membranes.

Iraq received international condemnation when it used mustard gas against Kurdish civilians and Iranian troops in the Iran-Iraq war in the 1980s.

The Japanese Imperial Army killed 2,086 Chinese and injured 34,882 with mustard and lewisite gas weapons, according to documents compiled by Chiang's government. Those claims covered only the areas of China under

Chiang's control, not places held by Mao Zedong's communist forces. Professor Yoshimi said the communist-ruled area suffered heavier chemical attacks.

The Japanese use of chemical weapons in China occurred between 1939 and 1944, historians say.

Japan's army, which started the war with China in 1937, made the gas weapons from 1929 to 1945 at a plant on Okunoshima Island in Hiroshima Prefecture.

Hatsuichi Murakami, head of the memorial museum on poison gas warfare at Okunoshima, told KYODO, "when I was working at the wartime poison gas factory, I was puzzled at the military's sudden order to dig up trenches to move the factory underground in about 1943."

Murakami speculated the "the Japanese military might have been alerted" of the U.S. plan to retaliate against Japan's use of chemical weapons.

LDP, SDP Officials Leave for Cambodia

OW0707040591 Tokyo KYODO in English 0317 GMT 7 Jul 91

[Text] Tokyo, July 7 KYODO—Chiefs of policy boards from the ruling Liberal Democratic Party (LDP) and the largest opposition group, the Social Democratic Party (SDP), left Sunday to inspect the situation in Cambodia to prepare for Japan's participation in UN peacekeeping operations.

Mutsuki Kato, chairman of the LDP's Policy Affairs Research Council, and Shigeru Ito, chairman of the SDP's Policy Board, will arrive in Kuala Lumpur later in the day.

They will join Nobuaki Futami, chairman of Komeito's Policy Board, and Kansei Nakano, chairman of the Democratic Socialist Party's (DSP) Policy Board.

The chiefs of the policy board from Komeito and the DSP left Tokyo on Wednesday.

The delegation will enter Cambodia on Tuesday via Bangkok and meet leaders of the Phnom Penh government. They will return to Bangkok on Wednesday for talks with leaders of the three resistance coalition factions.

They will return home Friday.

Meanwhile, Komeito Secretary General Yuichi Ichikawa and DSP Secretary General Takashi Yonezawa left Sunday for a trip to Europe to research Japan's possible contribution to UN peacekeeping activities.

Tsuruo Yamaguchi, secretary general of the SDP, and Keizo Obuchi, the LDP secretary general, will leave Monday and Wednesday respectively for Europe and join Ichikawa and Yonezawa.

They will visit facilities in Austria, Switzerland, and Italy, related to UN peacekeeping operations.

Political parties have been studying how Japan can assist UN peacekeeping operations since the Persian Gulf crisis erupted last year.

The government is drafting a bill aimed at creating a new organization to assist UN peacekeeping operations.

Kaifu, ROK President Speak on G-7 Talks

OW0807112491 Tokyo KYODO in English 1102 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—Prime Minister Toshiki Kaifu told South Korean President No Tae-u on Monday he will urge continued attention on the Asian-Pacific region at next week's London summit of seven major economic powers, Foreign Ministry officials said.

The officials said Kaifu's remarks came during a 20-minute telephone call he made to No. Telephone consultations between Japanese and South Korean leaders prior to the annual summits have become a regular practice since 1988, they said.

They quoted No as saying he hopes Japan will convey the interests of South Korea at the summit, where Japan is the only Asian participant.

No told Kaifu that Seoul is particularly interested in North Korea's entry into a nuclear safeguards inspection protocol and the promotion of dialogue between the two Koreas.

Officials said Kaifu promised to keep both issues in mind at the summit.

They said in calling for continued attention on Asia, Kaifu will be referring to the possibility of the Western leaders being distracted by events in Eastern Europe and regional economic integration processes.

Kaifu leaves Tokyo for the United States on Wednesday for talks with U.S. President George Bush at his summer vacation home in Kennebunkport, Maine, on Thursday. He will later fly to London to attend the summit, which brings together leaders from the U.S., Japan, Canada, Britain, France, Germany and Italy.

Union Leader Comments on South African Sanctions

OW0807082191 Tokyo KYODO in English 0700 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—The head of Japan's largest labor union organization, Akira Yamagishi, called on Prime Minister Toshiki Kaifu on Monday to continue economic sanctions against South Africa.

Yamagishi, head of the All Japan Trade Union Confederation (Rengo), made the request during a meeting with the prime minister prior to the July 15-17 London summit of seven industrialized nations.

The labor union leader urged Kaifu to retain economic sanctions until the blacks in South Africa say they are unnecessary, because basic human rights and economic discrimination have not yet improved despite the repeal of three apartheid laws.

Japan is expected to lift its economic sanctions against South Africa after the London summit. It has already decided to lift restrictions on exchanges in the fields of culture, education and sports.

Kaifu said there are many problems to be solved concerning South Africa but that although it is important to keep pace with other countries on the issue of economic sanctions, he would consider Rengo's claim.

Yamagishi also called for enforcing assistance to Eastern Europe apart from the budget for aid to developing countries, noting that inflation and critical foreign debts are endangering the transition to market-oriented economies there.

He also urged Kaifu to achieve as early as possible the 0.7 percent ratio in Official Development Assistance (ODA) spending and gross national product (GNP).

Japan's ODA/GNP ratio stands at 0.32 percent, lower than the 0.7 percent recommended by the United Nations.

Yamagishi also called for establishing a master plan to preserve the global environment and assist economic development while improving labor conditions in Japan, which are far behind the international standard.

Tokyo To Give 70 Billion Yen to Gulf Fund

OW0907044491 Tokyo KYODO in English 0216 GMT 9 Jul 91

[Text] Tokyo, July 9 KYODO—The government decided at a cabinet meeting Tuesday to give an additional 70 billion yen (500 million dollars) to the Persian Gulf war fund for the "maintenance of postwar stability in the region."

The government described the amount as a "voluntary" contribution in the context of Japan's international aid policy.

The sum, however, appears to be an increment to the 1.17 trillion yen (9 billion dollars) already given this spring to the U.S.-led multinational forces in the Gulf.

The amount is roughly equivalent to a 470 million dollar shortfall caused by exchange rate fluctuations.

In late January, Prime Minister Toshiki Kaifu pledged 9 billion dollars to the war effort, but the payment was not made until mid- March, by which time the yen had fallen in value.

The government paid out some 8.6 billion dollars at the March exchange rate, saying Kaifu had only meant in his pledge to extend "the yen equivalent of 9 billion dollars" at the time the pledge was made.

Foreign Minister Taro Nakayama said Japan was not prepared to admit U.S. charges that it was not meeting its 9 billion dollar pledge.

Nakayama said no further contributions were being contemplated to the war chest, called the Gulf Peace Fund, which was set up amid the Gulf crisis by Japan and the Gulf Cooperation Council, which groups six Arab states.

The 70 billion yen is appropriated from the Fiscal 1991 budget reserves.

The Gulf Cooperation Council will be formally notified of the decision in Kuwait on Tuesday.

The government said the council will decide on how to disburse the money, but it is expected to be used mainly as aid to Kurdish refugees and for other humanitarian purposes, removal of Iraqi land and sea mines, destruction of abandoned Iraqi conventional weapons, and contributions to the cost of maintaining ships enforcing sanctions against Iraq.

Some of the money is also expected to go toward the postwar clean-up, including extinguishing oil well fires in Kuwait.

The bulk of the money is expected to end up in the United States.

Securities Association Selects New Chairman

OW0807115191 Tokyo KYODO in English 1043 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—The Japan Securities Dealers Association tentatively decided Monday to appoint Shogo Watanabe as its new chairman, association officials said.

It is third time that Watanabe, 75, a former chairman of Nikko Securities Co., has been appointed to the post.

Setsuya Tabuchi, chairman of Nomura Securities Co., was expected to fill the position before his firm became implicated in scandals over illegal compensation payments to big investors and loans to companies connected with underworld figures.

Association officials said the appointment remains subject to formal approval by the association's board meeting in mid-July.

The appointment came despite a consensus among the big four securities companies that the post should not be occupied by one of their number.

Speaking at a press conference after the announcement, Watanabe pointed to the fact that he stepped down as an adviser to Nikko on July 4 and stressed that he currently has no relationship with his former employer.

As for the series of scandals involving the big four securities companies that forced the presidents of Nomura and Nikko to step down, Watanabe said the securities industry must look back at the incidents in a serious manner and carry out reforms to regain public confidence in the securities industry.

In doing so, Watanabe added, the association will set up an advisory panel that serves its chairman and is made up of scholars and journalists as well as others outside the securities industry.

Punishment for Securities Officials Announced

OW0807135491 Tokyo KYODO in English 1301 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—The "big four" securities companies embroiled in a recent series of scandals

Monday announced punitive action against company officials involved, including dismissals of executives from their posts and pay cuts for the maximum 12-month period.

Nomura Securities Co. said Monday it will dismiss two executives from their posts and reduce the salaries of chairman Setsuya Tabuchi, vice chairman Yoshihisa Tabuchi, and president Hideo Sakamaki for a 12-month period, Nomura officials said.

Nikko Securities Co. and its affiliates will relieve two executives of their posts and discipline 17 employees for their dealings with an underworld syndicate.

The brokerage house will also lower the salaries of six executives for their roles in compensating favored clients for losses incurred on the stock and bond markets.

Yamaichi Securities Co. said it will discipline its chairman, president, and seven other executives for similar payments to clients by cutting their salaries.

It announced the salaries of six of its executives, including its chairman and president, will be lowered by 20 percent over a three- month period.

The remaining three will receive a 10 percent pay cut over the same period, Yamaichi officials said.

Daiwa Securities Co. said eight of its executives who have voting rights, including its chairman, president, and vice president, will suffer a pay cut of about 10 percent over three months for the firm's payouts to favored clients.

Hashimoto Blames Securities Industry for Slump

OW0907044891 Tokyo KYODO in English 0355 GMT 9 Jul 91

[Text] Tokyo, July 9 KYODO—Finance Minister Ryutaro Hashimoto said Tuesday the slump in the Tokyo Stock Market is a natural result of the series of wrongdoings by the big securities companies.

"The securities industry damaged the trust of the market. People concerned know that best," he told a press conference after a regular cabinet meeting.

The string of scandals involving the "big four" brokerage houses' payment of compensation for trading losses to favored clients and their links with a crime-syndicate figure made a deep dent in the Tokyo Stock Market, pushing down the benchmark Nikkei 225 stock average below 22,000 in Tuesday morning dealings.

Hashimoto said he has received many protest calls from individual investors who said they had been treated badly by the securities companies.

"Under the circumstances, there is little hope of the market regaining momentum," he said.

The minister also said that the combined payouts by the four companies—Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co., and Yamaichi Securities Co.—total more than 120 billion yen, far bigger than the originally reported nearly 70 billion yen.

"The punishment for the securities industry announced Monday is based on the amount," he said.

The ministry penalties on the securities industry include a ban on the "big four" doing business with institutional investors for four trading days from Wednesday.

Government, LDP Continue Rice Price Talks

OW0307184091 Tokyo KYODO in English 1441 GMT 3 Jul 91

[Text] Tokyo, July 3 (KYODO)—The government and the ruling Liberal Democratic Party [LDP] continued last-ditch efforts Wednesday to straighten out their differences over whether to lower rice prices this year.

Informed sources said the government sought to reduce its purchase price of rice for the second straight year in line with its pledge at the Uruguay Round of Multilateral Trade Negotiations to scale down protective measures for domestic farmers and narrow the price gap at home and abroad.

The ruling party, which depends heavily on support from farmers, strongly opposed the government plan, claiming there is no longer any room for a further cut in prices of farm produce, including rice, the sources said.

Both sides, however, are expected to reach a compromise agreement, allowing a price cut of less than 1.0 percent, the sources said.

The government's rice price council has scheduled a meeting for Thursday to decide on new rice prices.

The government suffers a huge deficit in its foodstuffs control special account every year as it purchases rice from farmers at prices higher than it sells to consumers.

The ruling party also opposed the government's plan to cut subsdies to encourage farmers to set aside more rice for wholesalers to sell on the free market, the sources said.

The ratio of rice that is not subject to government price control to total production has reached about 70 percent, the sources said.

Farmers Protest Moves To Open Rice Market

OW0407050091 Tokyo KYODO in English 0424 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—Some 1,000 farmers gathered in Tokyo Thursday in opposition to possible government moves to open Japan's rice market to foreign imports, while demanding the government purchase their rice at a higher price.

In front of a branch of the Ministry of Agriculture, Forestry, and Fisheries, farmers reacted to recent statements by government and business officials implying a possible partial liberalization of the rice market.

"We will not agree to rice imports no matter what," farmers shouted.

"We're going to starve if the government does not raise the rice price when production costs are going up. Japan's farm industry will die with such cheap rice," one farmer said.

The government and the ruling Liberal Democratic Party agreed Thursday morning to cut the price of government-purchased rice by 0.65 percent this year, a decline for the second consecutive year, to 16,392 yen per 60 kilograms.

The rice price council is studying the proposal, and is expected to approve it soon.

The Japanese Government buys most of the rice produced by farmers and resells it to consumers at subsidized prices.

FY '92 Defense Outlay Growth Lowest in 30 Years

OW0407140991 Tokyo KYODO in English 1315 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—The end of the cold war will make a big dent in the growth of Japan's defense spending in the next fiscal year [FY], trimming its growth to the slowest pace in more than 30 years, government sources said Thursday.

Defense spending will grow no more than 5.38 percent in fiscal 1992, starting next April, lower than the ceiling of a 5.84 percent growth for the current fiscal year and the lowest percentage increase since fiscal 1961, when the government began setting the ceiling on its expenditures.

It will be the second consecutive year in which defense spending growth is lower than the previous year.

The ceiling of Official Development Assistance (ODA) will be set at 9.8 percent, slightly higher than the 9.7 percent ceiling for the current fiscal year.

The framework of the fiscal 1992 budget, to be made official at a cabinet meeting Friday, was formed after a series of negotiations Thursday between Finance Minister cryutaro Hashimoto and his counterparts in the Defense Agency, the Foreign Ministry, and the Ministry of Health and Welfare.

In the fiscal 1992 budget, general operating spending will be allowed to increase around 5.2 percent, or about 1.92 trillion yen, to about 38.95 trillion yen.

The ceiling growth, compared with a 4.4 percent rise in the current fiscal year, is the biggest since fiscal 1982, when the government started to keep its spending growth at zero or less.

General operating spending—the government's total spending minus debt-servicing costs and funds alloted to local governments—covers defense spending, foreign aid, and other spending categories linked to government operations.

Conscious of the thaw in East-West hostilities, the Defense Agency moderated its request for the next fiscal year, asking for a 5.8 percent growth against its original request of 6.3 percent in the fiscal 1991 budget.

But the Finance Ministry persuaded it to settle for an even more modest increase, citing the country's five-year defense program which puts more emphasis on improving logistics than on frontline weaponry.

The ministry also got its way over outlays for the country's ODA.

The Foreign Ministry originally called for a lofty 14 percent jump in ODA outlays but the Finance Ministry curtailed the growth, arguing that what is important about ODA is its quality, not quantity.

The Foreign Ministry, however, welcomed the 9.8 percent ceiling for ODA, which it says is enough to fulfill Japan's five-year foreign aid plan, which calls for ODA spending of at least 50 billion dollars over the five years up to 1992.

Investment-related spending will increase 5.1 percent in the next fiscal year, as a new 200 billion yen outlay will be introduced for public works projects, in addition to the 200 billion yen for improving national living standards launched in the current fiscal year.

Both outlays came in view of Japan's pledge in the bilateral Structural Impediments Initiative (SII) talks with the United States to substantially boost its infrastructure spending.

Based on the framework, each government agency will submit to the Finance Ministry its budget request by the end of August. The ministry will then compile a draft budget for the next fiscal year by December.

LDP Panels Back Defense Budget Increase

OW0307141991 Tokyo KYODO in English 1407 GMT 3 Jul 91

[Text] Tokyo, July 3 KYODO—Three Ruling Liberal Democratic Party (LDP) panels on defense policy Wednesday endorsed a proposal by the Defense Agency for a 5.8 percent increase in the fiscal 1992 budget, LDP officials said.

The agency will request about 4.64 trillion yen, the officials said, compared to the fiscal 1991 defense budget of 4,386.0 billion yen.

The requested increase for next year is slightly less than the actual 6.3 percent rise in the fiscal 1991 defense budget.

LDP legislators on the three panels approved the proposal at a joint meeting after a briefing from agency officials.

Agency Director General Yukihiko Ikeda will try to win Finance Minister Ryutaro Hashimoto's approval of the increase during a meeting set for Thursday, agency officials said.

But Hashimoto is likely to demand a slight cutback in the requested increase, and the two men are expected to settle on an increase of 5.4 percent in the government's draft budget, government sources said.

The draft budget is scheduled to be finalized by year-end for submission to the Diet.

The agency's budget request comprises 1,856.5 billion yen for personnel-related spending, a 99.7 billion yen rise, 1,741.0 billion yen to buy military equipment, a 40.9 billion yen increase, and 1,042.5 billion yen for general equipment purchases, including improvements in facilities such as barracks, the LDP officials said.

Social Democratic Party To Hold Elections

Tanabe Announces Candidacy

OW0407101191 Tokyo KYODO in English 0959 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—Makoto Tanabe, vice chairman of the Social Democratic Party [SDP], said Thursday he will run in the No. 1 opposition party's leadership election set for later this month.

The SDP is scheduled to accept candidacies Monday to pave the way for its 120,000 rank-and-file members to vote July 21-22.

Takako Doi, the outgoing SDP chairwoman, announced her resignation June 21 to take responsibility for the party's crushing defeat in April local elections. She will officially resign at an extraordinary party convention set for July 30-31.

Tetsu Ueda, a House of Representatives member, is expected to announce his candidacy Friday, party sources said.

Ueda Announces Candidacy

OW0507063091 Tokyo KYODO in English 0526 GMT 5 Jul 91

[Text] Tokyo, July 5 KYODO—Social Democratic Party [of Japan] (SDPJ) senior member Tetsu Ueda said Friday he will run in the election to choose a successor for incumbent party chairwoman Takako Doi.

Ueda, a House of Representatives parliamentarian for Japan's largest opposition party, made the statement in a meeting with senior party member Takatoshi Fujita, one day after Vice Chairman Makoto Tanabe officially announced he was a candidate in the election.

Ueda asked Fujita—who leads a middle-of-the-road group in the party—to help him in the July 21-22 election.

Fujita apparently told Ueda that he could not promise support from his group.

Following his meeting with Fujita, Ueda told reporters that he will be a candidate to succeed Doi and that he wants to defend the war-renouncing Constitution.

Tanabe, a leader of the right-wing group Suiyokai, submitted to the party a reform plan recognizing, in principle, the existence of the Self-Defense Forces (SDF). The party for decades has said the SDF violates the Constitution.

Ueda and Tanabe will file their candidacy on July 8. The SDPJ will open ballots July 23, one day after party members vote.

Candidates Register

OW0807022591 Tokyo KYODO in English 0122 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—Mokoto Tanabe, vice chairman of the Social Democratic Party (SDP), and Tetsu Ueda, a senior SDP member, on Monday registered their candidacies for the July 21-22 elections to choose a new chairman of Japan's largest opposition party.

Tanabe and Ueda registered their candidacies at the SDP Headquarters soon after the party began accepting the registration at 10 A.M.

The election will be a one-on-one contest between Tanabe and Ueda because no other party member is expected to apply for candidacy by the deadline of 5 P.M. Monday, party officials said.

Some 120,000 eligible party members and associate members will vote in the election. Vote counting will take place on July 23.

Tanabe, a 69-year-old veteran politician who leads a right-wing intraparty faction, is tipped as the most probable successor to SDP Chairwoman Takako Doi, who has offered to resign.

Ueda, 63, a former reporter of Japan Broadcasting Corp. (NHK) has criticized Tanabe's party reform proposals, arguing they would pave the way for revising the pacifist Constitution by expanding its interpretation.

Doi, a 62-year-old scholar-turned-politician, became the nation's first woman to head a major political party in 1986. She announced her resignation on June 21 to take responsibility for the party's crushing defeat in nationwide local elections in April.

The new party leadership will be inaugurated at a special party convention set for July 30 and 31.

The party reform plan drawn out by a committee chaired by Tanabe will be also discussed at the convention to revitalize the No. 1 opposition group.

According to a KYODO NEWS SERVICE poll, the public approval rating for the SDP fell to 13.4 percent in June from 17.0 percent in March. The figure is the lowest for the party since Doi assumed the party leadership in September 1986.

The reform plan released on June 18 calls on party members to virtually accept the existence of the Self-Defense Forces (SDF), a dramatic departure from the party's long-standing opposition to the SDF.

After registering their candidacies at the SDP's Headquarters, Tanabe and Ueda held separate press conferences.

Tanabe said he will renew his determination as a politician and make all-out efforts for the sake of the SDP and the people.

He also stressed that he has strived for peace and democracy by protecting the Constitution.

Ueda told reporters that the SDP chairmanship election is a battle between forces in favor of revising the Constitution and those against it.

He proposed holding at least three sessions of open debate with Tanabe during the 13-day campaign period to discuss the Constitution and other issues.

Tanabe, Ueda Kick Off Campaigns

OW0807134791 Tokyo KYODO in English 1304 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—Makoto Tanabe and Tetsu Ueda on Monday launched their campaigns to assume leadership of the Social Democratic Party (SDP), Japan's largest opposition force.

After registering his candidacy in the July 21-22 election for the party's chairmanship, Tanabe announced a 12-point campaign platform stressing the need for closer ties between Japan and the United States.

Tanabe, 69, currently party vice chairman, said he would promote cooperative relations with both North and South Korea.

He said the SDP's new leadership should tackle pending issues such as political reform, Japan's international contribution, and opening up the nation's rice market.

Ueda, 63, a leading member of the party's left wing, told reporters that the SDP chairmanship election is a referendum on whether the party should advocate revising Japan's war-renouncing Constitution.

In an interview with KYODO news service, Tanabe said that he advocates positive enforcement of the constitution, saying, "we cannot protect the Constitution only in abstract or ideal terms."

The SDP's 120,000 rank-and-file members will cast ballots July 21-22. The votes will be counted July 23.

Tanabe and Ueda were alone in filing candidacy papers during the official eight-hour period on Monday, SDP officials said.

Both candidates are senior members of the powerful House of Representatives.

Tanabe's Party Reform Committee released a reform plan June 18 which virtually accepts the existence of the Self-Defense Forces (SDF), a dramatic departure from the party's longstanding opposition to the SDF.

Ueda said the plan in effect recognizes the Japan-U.S. Security Treaty and the SDF, even though he considers both at odds with the Constitution.

The SDP, which has long opposed Japan's security arrangements with the U.S. and called for disbanding the SDF, would lose its reason for existence if it approves the plan, Ueda said.

The winner will succeed the outgoing party chairwoman, Takako Doi, 62, as head of the SDP's leadership body, the Central Executive Committee.

Tanabe, a veteran politician who leads a right-wing intraparty faction, is tipped as the most probable successor to Doi, party sources said.

Ueda, a former Japan Broadcasting Corp. (NHK) reporter and head of NHK's labor union, has criticized Tanabe's party reform proposals, arguing they would pave the way for revising the pacifist Constitution by expanding its interpretation.

Doi announced her resignation on June 21 to take responsibility for the party's crushing defeat in nationwide local elections in April.

Doi became the nation's first woman to head a major political party in 1986.

The new party leadership will be inaugurated at a special party convention set for July 30 and 31.

Ueda took to the streets in downtown Tokyo after filing his candidacy papers and said the SDP might become another conservative party under Tanabe's reform plan.

Speaking to a gathering in Tokyo's Ginza shopping district, Ueda said Shin Kanemaru, leader of the ruling Liberal Democratic Party's largest faction, will be happy if Tanabe wins the SDP leadership contest.

Tanabe is known to enjoy a close friendship with Kanemaru.

Tanabe and Kanemaru, who went together to North Korea last September, issued a joint declaration with North Korea's ruling Korean Workers' Party that urged the governments of Japan and North Korea to establish diplomatic ties.

Ueda called for reducing the size of the SDF, saying that the Constitution bans the country from possessing war potential and from using force as a means of settling international disputes.

Meanwhile, Tanabe spoke at a meeting of his supporters and said his party reform plan is designed to defend the Constitution and to achieve its ideals.

Tanabe said he wants to achieve party reforms and to make the party a more credible political force.

Both Tanabe and Ueda are scheduled to start their nationwide campaign tours Tuesday, party officials said.

On Tuesday, Ueda will visit Yokohama to seek support from party members, while Tanabe will go to Chiba to attend a labor union meeting.

Ueda Criticizes Reform Plan

OW0507102391 Tokyo KYODO in English 0850 GMT 5 Jul 91

[Text] Tokyo, July 5 KYODO—Opposition Social Democratic Party [SDP] senior member Tetsu Ueda announced his candidacy Friday for the party election to choose a successor to outgoing Chairwoman Takako Doi.

Ueda, 63, regarded as a moderate leftist, will run against Vice Chairman Makoto Tanabe, 69, leader of a right-wing SDP faction, who officially announced his candidacy Thursday.

Doi earlier announced her resignation to assume responsibility for the party's setback in nationwide local elections in the spring.

Ueda told a press conference after meeting with Doi and party Secretary General Tsuruo Yamaguchi that he decided to contest the election, scheduled later this month, to defend Japan's war-renouncing Constitution.

He attacked a party reform plan recently adopted by a panel led by Tanabe as turning its back on traditional SDP policy by paving the way for revising the Constitution.

Ueda said the party reform plan in effect recognizes the Japan- U.S. security treaty and the Self-Defense Forces (SDF), even though both violate the Constitution.

The SDP, which has denounced the treaty and Japan's Self-Defense Forces for decades, would lose its reason for existence if it approves them, Ueda said.

He implicitly accused right-wing party leaders and the SDP Central Executive Committee of steering the party toward cooperation with the Liberal Democratic Party [LDP], saying they are trying to set up two big conservative parties.

One of those right-wing leaders is Tanabe, whose group, Suiyokai, is the biggest faction in the party.

Calling Japan virtually a one-party state, Ueda called for the introduction of national referendums allowing the people to vote directly on major domestic and foreign policy decisions.

The LDP has been in power since 1955 when two major conservative parties merged.

Ueda and Tanabe will formally file on July 8 for the July 21-22 elections, in which some 125,000 full and associate party members are eligible to cast ballots. The SDP will count the votes on July 23.

Labor Group Supports Tanabe

OW0507054091 Tokyo KYODO in English 0517 GMT 5 Jul 91

[Text] Tokyo, July 5 KYODO—The head of Japan's largest labor organization, Akira Yamagishi, Friday expressed support for Social Democratic Party [of Japan] (SDPJ) Vice Chairman Makoto Tanabe's campaign for the top opposition party chairmanship.

Yamagishi, president of the Japanese Trade Union Confederation (Rengo), said at a Rengo meeting that the organization's executives have decided unanimously to back Tanabe and will do their best to help him win the chairmanship.

On Thursday Tanabe declared he was a candidate in the July 21-22 election to choose a new SDPJ chairman.

The 69-year-old veteran, gathering broad support among party members, is viewed as the most powerful candidate to succeed Chairwoman Takako Doi, who submitted her resignation June 21 to take responsibility for the party's crushing defeat in local elections in April.

Yamagishi indirectly criticized House of Representatives senior member Tetsu Ueda, who officially declared his candidacy for the chairmanship Friday afternoon.

Ueda has criticized Tanabe's party reform proposals, arguing they would pave the way for revising the pacifist constitution by expanding its interpretation.

Yamagishi said the SDPJ reforms are based on the condition that the party will maintain the basic principles of the Constitution and that no trade union in Japan wants any constitutional amendment.

He also called for the SDPJ to become a party capable of taking power and said it should cooperate with other social democratic forces to break the ruling Liberal Democratic Party (LDP)'s dominance.

Yamagishi said the SDPJ should come up with a policy based on international peace which could be accepted worldwide.

Incumbent Miyazaki Governor Defeats Challenger

OW0707115291 Tokyo KYODO in English 1128 GMT 7 Jul 91

[Text] Miyazaki, July 7 KYODO—Incumbent Miyazaki Prefecture Gov. Suketaka Matsukata defeated Communist challenger Makoto Sato in Sunday's gubernatorial election.

Matsukata, 73, campaigned hard with vows of bolstering the local economy with construction projects to improve the transportation network in Miyazaki Prefecture, southern Kyushu.

Matsutaka, who has served as governor for 12 years—three consecutive terms—drew support from the ruling Liberal Democratic Party, the Social Democratic Party, Komeito, and the Democratic Socialist Party.

The Japanese Communist Party candidate Sato, 52, tried to woo voters with a platform opposing local resort development because of environmental concerns and opposing any easing of Japan's ban on rice imports.

LDP Panel Decision on Reform Withdrawn

OW0907091691 Tokyo KYODO in English 0625 GMT 9 Jul 91

[Text] Tokyo, July 9 KYODO—The chairman of the decision- making Executive Council of the ruling Liberal Democratic Party (LDP), Takeo Nishioka, on Tuesday withdrew the panel's June 29 approval of political reform bills in the face of a storm of protest in the party over the decision, party officials said.

Nishioka apologized for his handling of the political reform bills at a meeting of the Executive Council.

The council resumed discussions on the proposed legislation that would establish a single-seat constituency system for the powerful House of Representatives, the officials said.

The decision to approve the draft bills on June 29 followed two days of heated debate among party members, some of whom fear losing their seats in the Lower House if the reforms are implemented.

Nishioka has been under fire following the decision, which opponents termed high-handed. He has rejected calls to resign his chairmanship of the key LDP post because of his handling of the proposed legislation.

In Tuesday's resumed session of the council, former Health and Welfare Minister Junichiro Koizumi and former Labor Minister Toshio Yamaguchi opposed the introduction of a single-seat constituency system.

They said political reform could be realized under the current medium-sized constituencies from which two or more candidates are elected.

The proposed three bills, strongly pushed by Prime Minister Toshiki Kaifu, would overhaul the nation's electoral system, tighten controls on political funds, and provide subsidies to political parties.

All opposition parties have said they would fight the proposals, particularly the plan for single-seat constituencies in the lower chamber, which they argue would perpetuate the LDP's hold on power.

Kaifu reportedly plans to call an extraordinary session of the Diet to be convened as soon as possible so the legislation can be passed before his term as LDP president, and thus as prime minister, expires in October.

Campaign Against LDP Reform Bills Begins

OW0507122991 Tokyo NHK General Television Network in Japanese 0300 GMT 4 Jul 91

[Text] A signature campaign demanding that the Liberal Democratic Party [LDP] resolution adopting the draft political reform bills be rescinded and that deliberations be reopened led by members of the LDP General Council from the Mitsuzuka, Miyazawa, and Watanabe factions has been launched today revolving around the manner in which the council passed the party resolution. Another meeting of the council scheduled for this afternoon is expected to be stormy.

This issue arose from the fact that at the council meeting on 29 June, General Council Chairman Nishioka arbitrarily terminated debate on the political reform bills and adopted them in a party resolution. Council members opposed to the bills are now demanding that the resolution be nullified and that Chairman Nishioka be held responsible. In this connection, the LDP leadership, including General Council Chairman Nishioka, claimed that there was nothing wrong in the procedure of adopting the party resolution. It refuses to reopen deliberations.

Consequently, council members from the Mitsuzuka, Miyazawa, and Watanabe factions have stated that the party resolution, which merely consisted of a one-sided declaration by the council chairman that the resolution had been adopted, is unacceptable. They started a signature campaign this morning to demand the reopening of debate. Chief secretaries of the three factions, who also sit as members of the General Council, have already put down their signatures. The campaign is expected to spread out in the LDP.

In view of this, confrontation and further conflict between the leadership, particularly Chairman Nishioka, who refuses to reopen the debate, and council members who will demand further deliberations backed by the signature campaign, is expected in the council meeting to be held this afternoon.

DSP Chairman Urges 'New Political Force'

OW0707074891 Tokyo KYODO in English 0546 GMT 7 Jul 91

[Text] Takamatsu, July 7 KYODO—Keigo Ouchi, chairman of the opposition Democratic Socialist Party (DSP), said Sunday a new political force should be organized urgently to replace the ruling Liberal Democratic Party (LDP).

"The creation of a new political force to replace the Liberal Democratic Party is an urgent task," Ouchi told some 300 participants in a ceremony marking the 100th birthday anniversary of the first DSP leader Suehiro Nishio.

Nishio and his colleagues bolted the Japan Socialist Party, now the Social Democratic Party, and founded the middle-of-the-road DSP in 1960.

"Our party would like to spearhead in a movement and reorganize the current political world," Ouchi said.

The DSP held the ceremony in Takamatsu, Nishio's birthplace, in an attempt to restore its political power. The party suffered heavy defeats in last year's general election and holds only 14 seats in the 512-member House of Representatives.

The conservative LDP has been in power ever since its creation in 1955 through the merger of Liberal and Democratic Parties.

OECD Sees Growth Slowing to Sustainable Rate

OW0307234891 Tokyo KYODO in English 2307 GMT 3 Jul 91

[Text] Tokyo, July 4 KYODO—Japan's economic growth appears to be easing back to more sustainable rates, and will help the world economy recover from its weak performance in coming months, the Organization for Economic Cooperation and Development (OECD) said Thursday.

The OECD, assessing the general condition of Japan's economy, said in a semiannual economic forecast that Japan's gross national product (GNP) will slow down to an annual 3.5 percent growth rate in real terms in both 1991 and 1992, from a revised 5.6 percent in 1990.

The figures are calculated using an average foreign exchange rate of 138.70 yen to the U.S. dollar and an average oil import price of 18 dollars per barrel.

Combined with the easing of the German economy and recoveries in the United States, Canada, and Britain from recession, the Japanese performance will contribute to a moderate pickup in the overall economic performance of the OECD's 24 major industrial nations toward 1992, the Paris-based organization said.

According to a copy of the OECD's July 1991 ECONOMIC OUTLOOK, made available in Tokyo, the real GNP within the group will grow at an average annual rate of 1.1 percent this year.

The figure was revised downward from a previously estimated 2.0 percent last December, but is expected to rise again in 1992 to 2.9 percent, the report said.

The OECD said Japan's GNP, which grew at about the mid-5 percent level in real terms in 1990, markedly slowed to an annualized 2 percent level in the October-December period the same year.

The sharp decline was mostly caused by temporary factors like higher crude oil prices, resulting from the Persian Gulf crisis, which discouraged consumption.

But the basic economic slowdown is evident also from other weaker economic indicators such as industrial output, capacity utilization, retail sales, and others, the OECD said.

It attributed the slowdown mainly to two factors—the tight labor situation and the restrictive monetary policy introduced to forestall inflation from higher wage claims.

Given this situation, Japan's output growth slowed from the "unsustainable" 6 percent in the first half of 1990 to 4.2 percent in the second half of the year, it said.

The rate of money growth halved between the first quarters of 1990 and 1991, it added.

The OECD said, "credit restrictions have been concentrated on the property sector" which has been criticized for raising real estate and land prices by excessively speculative investment over the past few years.

"There is no evidence of a generalized credit shortage," otherwise in the property sector, and "there should be room for both private consumption and investment to expand," the OECD said.

In 1991, private consumption, the locomotive of Japan's economy together with private capital investment, is predicted to see a moderate 2.8 percent growth over the previous year and rise to 3.7 percent in 1992.

Private capital investment maintained its strength in 1990, with the ratio to GNP standing at about 20 percent, the highest in 20 years.

The need for labor-saving and technology-enhancing facilities will lift Japan's private investment growth in 1991 to a year-on-year 6.9 percent, it said.

The growth is then expected to come down to a moderate 4.4 percent in 1992.

Japan's trade surplus could increase to an adjusted 85 billion dollars in 1991 from 63.9 billion dollars in 1990. It will then rise to 94 billion dollars in 1992, the OECD predicted.

The current account surplus will increase to 41 billion dollars in 1991 from 35.8 billion dollars the previous year. In 1992 it is expected to grow further to 52 billion dollars.

The OECD pointed out that the inflation rate, expected to be 3.0 percent on average in 1991, is based on the consumer price index (CPI).

The tight situation in the labor market and capacity utilization, factors for possible inflation, will ease slightly in the second half of this year, but not enough to be termed disinflation, it added.

OECD Estimates Trade Surplus at $94 Billion

OW0407083891 Tokyo KYODO in English 0314 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—Japan's trade surplus may balloon to 85 billion dollars in 1991, and to 94 billion dollars in 1992, from 63.9 billion dollars in 1990, the Organization for Economic Cooperation and Development (OECD) predicts in a new report.

Japan's current account surplus will increase to 41 billion dollars in 1991, and to 52 billion dollars in 1992, from 35.8 billion dollars in 1990, according to the Paris-based organization's latest semiannual world economic outlook.

Private capital investment amounted to 20 percent of gross national product (GNP) in 1990, the highest percentage in 20 years, the OECD reported.

In 1991, capital spending will increase by 6.9 percent, and fall to 4.4 percent in 1992, it said.

Private consumption, the locomotive of recent economic growth together with private capital investment, is predicted to increase by 2.8 percent in 1991, and by 3.7 percent in 1992.

Inflation will average 3.0 percent in 1991, as the tightness in the labor market and in factory capacity utilization will both ease slightly in the second half of this year, the research arm of the 24-nation grouping of most industrialized Western nations predicted.

Japan's economic growth appears to be slowing to a more sustainable rate, and will help the world economy recover from anemic growth in coming months, the report said.

Japan's economy will grow a real 3.5 percent in both 1991 and 1992, down from a revised 5.6 percent growth rate in 1990.

The figures are calculated using an average foreign exchange rate of 138.70 yen to the U.S. dollar and an average oil import price of 18 dollars per barrel.

Combined with the easing of the German economy and recoveries in the United States, Canada, and Britain from recession, the Japanese performance will contribute to a moderate pickup in the overall economic performance of the OECD's 24 major industrial nations toward 1992, the Paris-based organization said.

Real GNP within the group will grow at an average annual rate of 1.1 percent this year.

The figure was revised downward from a previously estimated 2.0 percent last December, but is expected to rise again in 1992 to 2.9 percent, the report said.

The OECD said Japan's GNP, which grew at about the mid-5 percent level in real terms in 1990, slowed markedly to an annualized growth rate of 2 percent in the October-December period last year.

That sharp decline was mostly in part by temporary factors like higher crude oil prices resulting from the Persian Gulf crisis, which discouraged consumption.

But a more basic economic slowdown was also evident in statistics showing reduced rates of increase in industrial output, capacity utilization, retail sales, and other areas, the OECD said.

It attributed the slowdown mainly to two factors—the tight labor situation and the restrictive monetary policy introduced to forestall inflation from higher wage claims.

Given this situation, Japan's output growth slowed from the "unsustainable" 6 percent in the first half of 1990 to 4.2 percent in the second half of the year, it said.

The rate of money growth halved between the first quarters of 1990 and 1991, it added.

EPA Report Reveals Concern Over Trading Rate

OW0407120291 Tokyo KYODO in English 1130 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—Most Japanese industries expect the economy to continue expanding, although at a slower rate, according to a report released on Thursday by the Economic Planning Agency (EPA).

The report was compiled from interviews the EPA conducted with representatives of 10 major industries, including trading companies, department stores, regional banks, and real estate businesses, between June 11 and 21 to gauge their views on the outlook for the economy.

The EPA report did not state the total number of companies or representatives interviewed, nor what the response rate was to specific issues.

But the report said trading companies were particularly concerned about possible trade friction flaring up between Japan and other countries, as imports are expected to dwindle in fiscal 1991, thereby increasing the surplus in Japan's balance of payments.

Asked about plant investment, many industries said they were investing in rationalizing and labor-saving devices to cope with the shortage of manpower, as well as in research and development, the report said.

But plans for plant investment for fiscal 1991 were mixed, in contrast to the sharp increases seen in fiscal 1990.

Department stores, leasing companies, and auto manufacturers have become more cautious, while electric and industrial machinery makers and steel makers plan to continue investing heavily.

Almost all the industries were reported to have complained of a shortage of labor, with some small and medium-sized companies fearing that the problem could prove fatal to their management.

Many industries said they expect larger sales but smaller profits, instead of the growth in both sales and profits they have enjoyed so far, according to the report.

Council Urges Shift Priorites to Better Lives

OW0407114691 Tokyo KYODO in English 1027 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—An advisory council Thursday recommended the government shift its priorities from the promotion of corporate profitability to the betterment of family lives.

The ad hoc Council for the Promotion of Administrative Reforms said in its interim report Japan needs to change the priority given to pursuit of efficiency and productivity in businesses and organizations at the expense of family life.

The council headed by Eiji Suzuki, former head of the Japan Federation of Employers' Associations, submitted the report to Prime Minister Toshiki Kaifu on Thursday. The council comprises business leaders and academics.

The report urges the government to take powerful measures to bring down the hyper-inflated land and house prices to enable ordinary citizens to buy a house or apartment.

"Japan must realize a society in which citizens can enjoy the benefits of its affluence," the report said.

The report also proposes the government establish a five-day work week for public officials and a five-day study week for students to alleviate some of the heavy work burdens on its citizens, young and old.

It also suggests the government transfer some of its authority to local governments to give them more leeway to tackle problems affecting the livelihoods of citizens.

On foreign policy, the report urges the government to build a new administrative structure which would enable "more comprehensive, effective, and flexible handling" of policies.

It said Japan should risk endangering personnel to contribute to the international community.

It called on the Foreign Ministry to hire and train more competent university graduates by setting up a comprehensive system for recruiting, training, and promoting would-be diplomats, to secure people capable of dealing with rapidly changing world situations.

The report also strongly recommends the cabinet exert powerful leadership to form coordinated foreign policies by ironing out differences in opinions among government ministries and agencies.

To this end, ministries and agencies should follow a new rule of conveying crucial information likely to affect the interests of Japan in its relations with other countries to the cabinet secretariat as speedily and precisely as possible, it urges.

On proposed participation in U.N. peacekeeping operations, the report calls on the government to legally open the way for the overseas deployment of Self-Defense Forces personnel for such operations.

It also proposes the government send large numbers of SDF personnel if requested by countries struck by a natural disaster.

Government Divides Public Works Between Firms

OW0907091991 Tokyo KYODO in English 0827 GMT 9 Jul 91

[Text] Tokyo, July 9 KYODO—The government is planning to award nearly 40 percent of public works projects to small and medium-sized enterprises in fiscal 1991, ending next March 31, officials said Tuesday.

They said allocations to smaller contractors will amount to 4,140 billion yen or 39.8 percent of the total public works expenditures set aside for the year.

The sum represents a 10.6 percent increase over the previous year, the officials said.

The government has alloted a total of 10,413 billion yen for public works projects in the 1991 fiscal budget.

MITI Announces Large Retail Store Approvals

OW0507140891 Tokyo KYODO in English 1306 GMT 5 May 91

[Text] Tokyo, July 5 KYODO—The Ministry of International Trade and Industry (MITI) reported Friday that 45.7 percent of all applications by retail chain store operators were approved for the opening of large-scale retail stores in the year ended May 31.

MITI officials said out of a total of 2,587 applications, 1,181 large-scale retail operations have been approved.

Such an approval was offered by each community business forum, called the Council for Coordinating Commerical Acitivity.

But after the revised large-scale retail stores law takes effect next year, the large-scale retail stores council, an advisory panel to the minister of international trade and industry, will bear sole responsibility for deciding whether to permit the opening of large stores, the officials said.

They said the applicants for the approved stores had all conducted negotiations with local retailers for the stipulated period required for approval.

The government eased regulations on the opening of big stores a year ago under strong pressure from the United States, shortening the period required for clearance to 18 months.

The number of applications for stores of more than 1,500 square meters of floor space or of over 3,000 square meters in certain government-designated cities in the period between April 1990 and May 1991 was up sharply from those given the go-ahead in fiscal 1989.

"A lot of energy was put into conducting the required negotiations and we feel that the adjustment process has proceeded smoothly," a ministry official said.

Government To Cut 39,048 Jobs Over 5 Years

OW0507031091 Tokyo KYODO in English 0152 GMT 5 Jul 91

[Text] Tokyo, July 5 KYODO—As many as 39,048 government jobs will be cut over five years in a plan approved by the cabinet on Friday, government officials said.

The eighth five-year curtailment plan includes reducing the national payroll by 4.52 percent starting next fiscal year. About 17,718 field jobs and 21,330 clerical positions will be eliminated, the officials said.

Currently the national government employs 863,254 people, not including defense workers. Defense personnel are exempt from the cuts, the officials said.

The plan recommends an 11.1 percent cut in the Agriculture, Forestry and Fisheries Ministry, a 6.4 percent decrease in the Hokkaido Development Agency, and a 6.4 percent decrease in the Management and Coordination Agency, the officials said.

The government eliminated 242,000 civil servant jobs in its first five-year cutback plan in 1968.

Since then, the government has increased its payroll by some 207,000, making the net labor cut about 35,000.

Computer Screen Makers Deny U.S. Charges

OW0907090591 Tokyo KYODO in English 0624 GMT 9 Jul 91

[Text] Tokyo, July 9 KYODO—Japanese makers of flat-panel computer display screens Tuesday denied U.S. charges that they are selling their products at unfairly low prices on U.S. markets.

Taizo Katsura, a vice president of Sharp Corp., said he opposed antidumping duties imposed on Sharp products, saying the company is selling its screens at reasonable prices in the United States.

On Monday the U.S. Commerce Department in Washington imposed antidumping duties of 7.2 percent on the import of the electroluminescent screens of Sharp.

Dumping is defined as a company's selling a product in another country below the product's cost in the home country.

The U.S. Government also imposed 62.67 percent antidumping duties on the so-called active-matrix liquid crystal display (LCD) screens of companies including Hosiden Electronics Co. Ltd.

Hosiden officials responsible for U.S. screen sales were not immediately available for comment.

Active-matrix screens use a single transistor for each dot on the screen, thus providing higher resolution and clearer viewing from different angles than passive-matrix screens.

The Commerce Department did not impose duties on Japanese passive-matrix LCDs because there are no U.S. competitors.

Toshiba Corp. and Matsushita Electric Industrial Co. Ltd. escaped penalties on their gas plasma screens because the calculated dumping margins—0.32 percent and 0.23 percent, respectively—fall below the allowable margin of 0.5 percent.

Matsushita officials said the company sells its display screens at fair prices in the U.S.

The antidumping case now goes to the U.S. International Trade Commission (ITC), which has 45 days to decide whether imports of Japanese flat-panel displays are harming or threatening to damage U.S. industry.

Flat-panel displays are used in laptop and portable computers, medical instruments, industrial controls, and some military equipment. They also have the potential to be used in high-definition television (HDTV).

A U.S. trade group, the Advanced Display Manufacturers of America, and member companies last July petitioned the Commerce Department to investigate alleged Japanese dumping of flat-panel displays screens in the U.S. market.

Hitachi Automates 'Fuzzy' System Development

OW0807145591 Tokyo KYODO in English 1345 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—Hitachi Ltd. on Monday announced what it claims the world's first automation of development of a process to make the operation of large-scale industrial systems fuzzy or to optimize such operations.

Company officials explained that a Hitachi research team has succeeded in automating the making of a rule for expressing fuzzy know-how in words.

The team has also been successful in automating a process to optimize a rule of words, they said.

Officials said the fuzzy-based system has so far been established manually with limited accuracy over a long period.

The officials said the automation has made it possible to establish such a system with considerable accuracy and in a period less than one-fifth what has been required so far.

This achievement will be reported at the International Joint Conference on Neural Networks from Tuesday to Friday (U.S. time) in Seattle and also at the World Congress of the International Fuzzy Association in the same period from Tuesday to Friday in Brussels, officials said.

They said the newly developed extended neural network scheme will probably find applications in establishing large-scale fuzzy-based industrial systems, such as a ventilation system inside a tunnel, water supply, sewage systems, and foreign exchange or stock price forecast systems.

The new scheme will also be utilized in establishing sophisticated decision support systems, now being required in high- level business decision-making and large-scale, complex plant operations, they said.

NEC Develops Electro-Photonic Device

OW0807114591 Tokyo KYODO in English 1059 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—NEC Corp. has developed an electro-optical device which the company claims will advance the goal of making super parallel computers.

The new optical interconnection technology made possible the high-speed transmission of a billion bits of information from the so-called vertical-to-surface transmission electro-photonic device (VSTEP) to about 1,000 processors, officials said.

Parallel computers use hundreds or thousands of processors to manipulate data simultaneously. They can whiz through more than 9 billion calculations a second and be used by a large group of people at the same time.

Officials said development of super parallel computers has been stymied because of the vast number of electric wires needed to interconnect the processors for "cross-talking" of information.

However, low-energy electro-photonic devices, which connect and convert electrical signals to light and back between processors, would speed up computer operations, officials said.

NEC researchers developed a system called the electro-photonic processor network, using the optical interconnection, and achieved the lowest photonic switching energy rate of 150 femtojoules [as received] to date, enabling more data to be passed between processors, officials said.

A joule is the measurement scientists use to gauge electrical energy and work.

NTT Builds Flouride Optical Fiber Amplifier

OW0407112591 Tokyo KYODO in English 1104 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO - Nippon Telegraph and Telephone Co. (NTT) has built a prototype optical fiber amplifier that could lower the cost of laying optical fiber cables across the ocean flooand land, company officials said Thursday.

The new amplifier, or repeater, is made of fluoride glass, and can amplify a photonic signal without first converting it to an electrical signal, the officials said.

Repealers are required to boost photonic signals traveling over optical fiber cables to keep the signal from fading. Light is converted into an electrical pulse, amplified, and then converted back before transmission.

At present, they must be stationed every 100 kilometers along optical fiber cables to boost signal transmission.

The cost of operating amplification systems has been a major problem in optical fiber communication systems, the officials said.

The technology may also have applications in NTT's fiber-to-the- home project, in which the use of small, efficient, economical amplifiers could be used to boost optical signals traveling from local telephone exchanges to homes.

NTT has already installed over 40,000 kilometers of optical fiber cable trunk line from Hokkaido to Okinawa.

Ministry To Help Set Up Gene Lab in Pakistan

OW0707232791 Tokyo KYODO in English 2309 GMT 7 Jul 91

[Text] Islamabad, July 8 KYODO—Japan's Ministry of Agriculture, Forestry and Fisheries will help Pakistan set up a genetic laboratory at the National Agricultural Research Center in Islamabad under a memorandum of understanding signed in Islamabad Sunday.

The agreement was signed by officials of the Pakistani Agricultural Research Council and the Japanese Ministry.

The lab will be the first for specific genetic studies in Pakistan, although a molecular biology institute in Faislabad has been carrying out some basic studies in genetic engineering under the aegis of the Pakistan Atomic Energy Commission.

Mongolia

New Draft Constitution Released for Discussion

OW0807021391 Ulaanbaatar Radio Ulaanbaatar in English 0910 GMT 1 Jul 91

[Text] A new draft constitution of the Mongolian People's Republic has been issued by the State Small Hural, the parliament of Mongolia, and now is being discussed by the Mongolian people. In this connection, listen to a commentary by our observer:

[Begin recording] In the elaboration of the new draft constitution, Mongolian experts proceeded from the viewpoint of combining the historical national traditions with the achievements in the sphere of international state structure research. The draft also has carefully studied the first constitution of the Mongolian People's Republic endorsed in 1924, which was a genuinely democratic law free from any ideology. The [words indistinct] of the fundamental law is [words indistinct] with the main (?idea, especially) the national traditions of statehood, the history and culture, as well as paying homage to the home civilization.

As far as the traditions are concerned, the draft envisages the guarantee of exercising the basic human rights and freedoms, in part, free medical service, free education, old age pension, and allowances for (?physical) disability, and many other grants and allowances. Moreover, to lay the foundation of strengthening the state power in the hands of the working people is taken in the context of a new content and form. In other words, the new draft [words indistinct] to a certain extent the national traditions of statehood alongside with the change being made in social life and state structure. While elaborating the new draft they also studied the constitutions of other countries, the practical implementing into social life, the structure of foreign state apparatus and their activity. [Words indistinct] the chapter [words indistinct] scholars thoroughly studied the corresponding national laws and regulations in comparison with the universal declaration on human rights and (?moreover international) [words indistinct].

The main (?new features) of the new draft as compared to the previous constitution are as follows: The new draft is based on the legal foundation of ensuring equitable relations of individuals and the state [words indistinct] any party and class ideology. Secondly, it takes into consideration the (?principal) organizational and functional (?change) in the country's economy and the state structure. Thirdly, the new draft constitution envisages certain change in the organization in form of central and local administrative bodies.

The first chapter of the new constitution entitled: "Declaration of Independence of the Mongolian People's Republic" (?defines) the sovereignty and independence of Mongolia as a basic (?feature) as well as the (?form) of state structure of Mongolia. It reads that the state power of Mongolia belongs to the entire Mongolian people. Moreover it proclaims the inviolability of the Mongolian border and says that in its foreign policy Mongolia will adhere to the principles of peaceful coexistence and friendliness. In her relations with foreign countries Mongolia will develop equitable and mutually beneficial cooperation on the basis of the universally accepted norms of international economic relations. Unlike the previous constitution, the new draft envisages the development of private property. It says that the natural wealth and minerals are the national property but it also fixes the right of Mongolian citizens to land renting.

The second chapter of the new draft constitution is entitled: "Declaration of Freedoms of Man" and declares that all those working on the Mongolian territory, despite their nationality and origin, enjoy all the rights defined in the international convention. The draft proposes to rename the Mongolian People's Republic the Republic of Mongolia. After nationwide discussion, the new draft law will be submitted for approval by the Great People's Hural of Mongolia to be held in the coming September.

Vice President Interviewed on PRC Visit

OW0807081991 Ulaanbaatar Radio Ulaanbaatar in English 1445 GMT 3 Jul 91

[Text] Chairman of the State Small Hural, vice president of Mongolia, Mr. Gonchigdorj, has said that his recent visit to China was successful. The present visit was an opportunity to further the parliamentary links between the two countries, said the vice president to the Ulaanbataar based XINHUA Agency correspondent. He has highly spoken of the tremendous achievements of China in the process of reform and the policy of openness. This is a convincing proof of the fact that China is a reliable partner to develop cooperation in all spheres, said the vice president. In conclusion, he said, that the intergovernmental Mongol-China agreement on [words indistinct] and the system of their management as well as the agreement on transport communications will promote the realization of Mongolia's policy of opening up to the foreign world.

Further on Relations

OW0407094991 Beijing XINHUA in English 0825 GMT 4 Jul 91

[Text] Ulaanbaatar, July 4 (xinhua)—Mongolia should develop all-round economic ties with China and the Soviet Union on the basis of equality and mutual benefit as the first step in carrying out an open-door economic policy, said a Mongolian leader as quoted by a newspaper here today.

The remark was made by Mongolian Vice President and Chairman of the Small Hural Radnaasumbereliyn Gonchigdorj in an interview with the "PEOPLE'S RIGHT" on his way back from his recent China visit June 24-July 1.

Gonchigdorj said that Mongolia cannot be well-developed without maintaining correct and balanced relations with its two major neighbors, China and the Soviet Union.

He said all-round, friendly and business-like contact should constitute the foundation of Mongolia's good relationship with China. He added, the Mongolian Government should take measures to establish direct economic ties with China's major developed cities like Shanghai, Guangzhou and Shenzheng.

On another point, he said the success of economic reform in China has been based on the hard working of its people, which is exemplary for the Mongolian people.

Legal Cooperation Protocol With PRC Signed

OW0407233691 Beijing XINHUA in English 1702 GMT 4 Jul 91

[Text] Ulaanbaatar, July 4 (XINHUA)—The Chinese Justice Ministry and the Mongolian Ministry of Law today signed a protocol to strengthen legal cooperation between them.

The protocol was signed by Guo Dezhi, vice minister of the Chinese Justice Ministry and Dashiponceg Ganbold, deputy minister of the Mongolian Ministry of Law.

Under the protocol, the two ministries agreed to develop cooperation on the basis of equality and mutual-benefit, exchange collections of legal regulations, law books and other related works.

A Chinese justice delegation led by Guo arrived here yesterday, the first visit here by a Chinese delegation of such kind.

Border Post Opened With PRC in Xinjiang

OW0807074291 Beijing XINHUA in English 0621 GMT 8 Jul 91

[Text] Urumqi, July 8 (XINHUA)—Another border post in the Xinjiang Uygur Autonomous Region has opened to Mongolia, XINHUA learned here today.

The new border post opened is in the boundaries of Qinghe County in northern Xinjiang. It is one of the eight border ports to be opened by China according to an agreement signed between China and Mongolia on June 24.

China and Mongolia share a border line of 4,600 kilometers. But during the past 42 years since new China was founded, only one port was opened at Erenhot in Inner Mongolia.

The opening of the border posts is expected to boost border trade between the people on both sides of the common border.

North Korea

South Korea Refuses To Accept Students' Letter

SK0507054191 Pyongyang KCNA in English 0510 GMT 5 Jul 91

["Uncourteous Act"—KCNA headline]

[Text] Pyongyang July 5 (KCNA)—The South Korean authorities' refusal to take over a letter of the chairman of the Korean Student Committee [KSC] addressed to the South Korean "education minister" is a very rude act, an unpardonable antinational, antireunification criminal act of throwing a wet blanket over the ardent desire of students of new generation for reunification, says NODONG SINMUN in a commentary today.

The letter of the chairman of the KSC requests the South Korean authorities concerned to provide all necessary conditions for a successful holding of the August 15 grand reunification festival promised between students of the North and the South and of the July 7 Panmunjom working-level talks.

The news analyst says:

The desire of the students in the North, the South, and overseas to meet with each other to discuss the question of national reunification reflects their steadfast will to take the lead in achieving reunification as a generation of the divided nation and the ardent desire of all the fellow countrymen for reunification; it is beneficial to the creation of a climate of national reconciliation and unity and promoting the cause of independent and peaceful national reunification.

To fully support and encourage this entirely righteous patriotic deed of students is not only what all the fellow countrymen who want reunification should do but also a national, humanitarian duty and obligation of the authorities concerned.

The South Korean authorities' refusal to take over the letter of the chairman of the KSC was prompted by their criminal intention to block the Panmunjom working-level talks and grand reunification festival of students in the North, the South, and overseas. It is a work that can be committed only by the separatists who abhor North-South free contacts, debates on reunification, national reconciliation and unity.

Dark shadows are hanging again over the horizon of the meeting between students of the North, the South, and overseas due to the South Korean authorities' sinister scheme.

The South Korean authorities must immediately stop incriminating the patriotic initiative of students for national reconciliation, unity and reunification or creating obstacles to it and respond to it with a cooperative attitude.

South's Crackdown on 'Democratic Forces' Viewed

SK0707095391 Pyongyang KCNA in English 0830 GMT 7 Jul 91

["Crackdown 'War' Against Patriotism"—KCNA headline]

[Text] Pyongyang July 7 (KCNA)—The South Korean puppet Home Ministry recently marked off July and August as a "period of special crime-prevention measures" and ordered the repressive organs under it to wage a "second-stage war against crimes."

The No Tae-u ruling quarters' scheme to totally destroy pro-reunification democratic forces after repeatedly declaring "war" against the fellow countrymen is churning up towering resentment among the whole nation, NODONG SINMUN says in a commentary today.

The news analyst goes on:

The No Tae-u ruling group has brutally cracked down on the South Korean people who rose in the anti-U.S. struggle for independence, anti-fascist struggle for democracy and in the struggle for national reunification since it declared a "war against crimes" toward the end of last year.

By contrast, it has defended the criminals who should have been put in jail and released those it reluctantly arrested through the back door. Police, with a mission of combating crimes, clubbed to death, fired a pistol at and stabbed to death guiltless inhabitants and patriotic students everywhere they went.

The "second-stage war against crimes" declared by the No group will be nothing but a promiscuous repressive war against patriotic students, people and pro-reunification democratic forces.

The "second-stage war against crimes" declared by the No Tae-u ruling group is timed to coincide with the period before and after the pan-national rally. This is aimed at dampening the people's ardent desire for reunification which is likely to gain momentum with the pan-national rally as an occasion and at foiling the rally itself. It is also designed to maintain the present "security-oriented rule," a murderous rule, next year, too, and thereby hold puppet National Assembly "elections" and "presidential elections" without difficulty and gratify its lust for long-term office.

With nothing, however, can the No Tae-u ruling group turn back or arrest the South Korean people's struggle for independence, democracy and reunification.

Reunification Alliance Meets With Students

SK0907054991 Pyongyang KCNA in English 1625 GMT 8 Jul 91

[Text] Pyongyang July 8 (KCNA)—"Our stand on meeting Chondaehyop delegates" adopted at the meeting for the preparation of the second pan-national rally which was held in Berlin reads in part:

The "Pan-Korean Alliance for National Reunification" (Pomminnyon) met with emotion and warm compatriotic feelings the two delegates to working-level talks for a grand student reunification festival who were dispatched by the National Council of Student Representatives (Chondaehyop) from the South. Like delegate Yim Su- kyong who is beautifully engraved in the hearts of the 70 million fellow countrymen as the "flower of reunification", they are proud youngmen [word as received] of ours with bright eyes, not fighting cocks of violent nature.

As soon as they arrived here, the irresponsible press has incited security steps against them, spreading rumors about "their permanent residence" in Pyongyang and someone's "instructions", as if "they defected to the North". But they behave resolutely to terminate the division left over by our generation in a strange land on the opposite side of the globe.

Their coming here is a great deed to fulfil the shares of contemporary adults, friends and juniors, taking them upon their shoulders.

Pomminnyon declares that it will strictly protect the two delegates and will struggle for their personal safety with the feelings of kinship when they return after fulfilling their duty. It will also make every possible effort to open the pan-national rally in Seoul and believes that the people of all strata will hold out. [sentence as received] We sincerely hope that the authorities of the South will join us on the road of independence to be a force defending the interests of the nation and will not become a stray child in history.

Reflecting on ourselves, we feel that our senior generation and we are handing over too heavy a burden to the young people in this way because our senior and we are below the average. They clearly tell why they are in an alien land and what they must do for the motherland. They are a son and a daughter of our nation. Now, to us, the relations between the parents and children are those between comrades. This is because the old generation and younger generation find themselves on the border of reunification which must be attained with united efforts.

We will take good care of them as our dear son and daughter and as our comrades until they return.

Daily Views G-7 Stance on Nuclear Inspections

SK0807055291 Pyongyang KCNA in English 0507 GMT 8 Jul 91

["U.S. Nuclear Blackmail and Tricky Diplomacy"—KCNA headline]

[Text] Pyongyang July 8 (KCNA)—The United States announced that the problem of the "nuclear inspection" of the Democratic People's Republic of Korea would be discussed at the summit of the seven Western nations and the U.S.-Japan summit preceding it.

Branding this as a robber-like arbitrariness, NODONG SINMUN July 7 says:

Whatever false propaganda the United States may carry on and however loudly it may blow the trumpet in the international arena in a bid to do harm to our Republic, it can convince none of the world people.

And it cannot conceal the stark reality that it has deployed nuclear weapons in South Korea and constantly created the danger of a nuclear war.

It is brigandish arbitrariness for the United States which is resorting to blackmail with nuclear weapons to find faults with us who have no nuclear weapons and have no intention and capacity to make them.

A sinister intention is lurking behind the "nuclear inspection" racket and the tricky diplomacy of the United States against our Republic.

It is intended, above all, to justify the U.S. policy of turning South Korea into its nuclear base.

In launching into a wholesale propaganda offensive over the DPRK's fictitious "capacity to develop nuclear weapons", the United States seeks to tone down the demand of the world people for the withdrawal of its nuclear weapons from South Korea and keep hold on South Korea for an indefinite period as the biggest nuclear forward base in the Far East and as the frontline attack base for its anti-socialist strategy.

The purpose of the U.S. tricky diplomacy is to justify its moves to provoke a nuclear war on the Korean peninsula.

It is a trite method of the United States to invent a charge against the potential target of aggression, circulate a false propaganda and build up public opinion that it must be "punished", before starting an armed invasion.

The U.S. reckless policy of strength to ignite a nuclear war in Korea is a great menace to peace in Asia and the world.

The danger of a nuclear war must be quickly removed from the Korean peninsula.

If the danger of a nuclear war is to be removed from the Korean peninsula and Asia the nuclear weapons deployed in South Korea must be withdrawn, first of all, and the Korean peninsula be turned into a nuclear-free zone.

Delegates, Han Si-hae Return From U.S. Visit

SK0807043591 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 2 Jul 91

[Text] A delegation of scholars and Christians of the DPRK led by Han Si-hae, vice chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF] who went to the United States, returned home yesterday by train.

In the Pyongyang railway station, the delegation was greeted by An Pyong-su, vice chairman of the CPRF, and other personages concerned.

No Tae-u's Trip to U.S. Condemned in Papers

SK0607054491 Pyongyang KCNA in English 0520 GMT 6 Jul 91

[Text] Pyongyang July 6 (KCNA)—Papers here today condemn the South Korean authorities for loudly advertising about "success of visit to the United States", describing No Tae-u's visit to the United States as for peace and security in the Asia-Pacific region and for the peace and unification of the Korean peninsula.

NODONG SINMUN in a signed commentary headlined "Treacherous Submissive Tour of the Traitor" says that No's trip to the United States was a mendicant tour of a stooge at the bidding of the master, a splittist junket to block the peace and peaceful reunification of the Korean peninsula and a flunkeyist treacherous travel to leave South Korea as a colonial nuclear forward base of the U.S. imperialists.

No at the "talks" with U.S. President Bush and on a series of occasions prattled he hoped that "change of the world" would come to the Korean peninsula and the United States would actively support "unification under the auspices of South Korea".

It is preposterous that No asked the U.S. imperialists, the chieftain of division, to more actively interfere in the internal affairs of the nation, giving the back to us who are making all sincere efforts for the peace and peaceful reunification of the country.

No, keeping mum about the 1,000 U.S. nuclear weapons deployed in South Korea threatening the existence of the nation, went so far as to confirm together with the U.S. imperialist master that the North should allow "international nuclear inspection" without "precondition" and the question of the pullout of the U.S. troops and nuclear weapons from South Korea is a "different matter". He blared that the U.S. troops stationed in South Korea is "necessary" for the peace and security of the Korean peninsula. It is a brigandish logic to say that we who have no nuclear weapons should accept nuclear inspection and the U.S. nuclear weapons deployed in South Korea are not the object of nuclear inspection.

The anti-DPRK plot of the puppets to justify the presence of the U.S. troops in South Korea and the policy for turning it into a nuclear base and libel our earnest peace-loving efforts and high external prestige regarding nuclear inspection does not work.

Never should it go unnoticed that No "promised" with the U.S. master to reduce the economy of South Korea to dependency of the United States. He, cringing to the master, accepted the U.S. brigandish demand for market opening including the market of agricultural and livestock products.

During his tour, he tried hard to cover up his pitiful position as a colonial stooge and improve his public image by palavering that the United States is the "closest friend" and "relations of companions", but the relation between the U.S. master and the South Korean servant could not be concealed by anything.

The U.S. bosses called No and had a confab on keeping the presence of the U.S. troops and nuclear weapons in South Korea, opening South Korean market more widely and additionally increasing the fund for the maintenance of the aggression forces, which brought to light the U.S. nature of the aggressor and plunderer.

The whole nation aspiring after the peace and peaceful reunification of the country will never pardon the No ruling group that remains hostile against the fellow countrymen and tries to prolong its remaining days, depending on the outside forces.

No should apologize to the nation for his treacherous act in his American tour and all other crimes, give up his illusion about anachronistic "unification by absorption" and step down from power.

MINJU CHOSON carries a commentary titled "Criminal Junket of the Traitor".

Soviet Ambassador's Reception Marks Anniversary

*SK0707084291 Pyongyang KCNA in English
0814 GMT 7 Jul 91*

[Text] Pyongyang July 7 (KCNA)—Soviet Ambassador to Korea Alexandr Kapto gave a reception at his embassy Saturday on the occasion of the 30th anniversary of the signing of the Soviet-Korean Treaty of Friendship, Cooperation and Mutual Assistance.

Speaking at the reception, he noted that the treaty has contributed to consolidating the relations between the two countries which were established long ago on the basis of complete equality and mutual respect.

Saying the Soviet Union has paid serious attention to the situation in Korea, he went on:

We will support in the future, too, the constructive proposals of the Democratic People's Republic of Korea for the reduction of Armed Forces of the North and the South, the withdrawal of U.S. forces frm South Korea and the conversion of the Korean Peninsula into a nuclear-free, peace zone.

The Soviet leadership invariably hope to further develop cooperation between the two countries on the principle of equality and reciprocity in politics, the economy, culture, science and other fields.

The Soviet ambassador wished the Korean people fresh progress in their socialist construction and struggle to reunify the country peacefully on a democratic basis.

Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief of general staff of the Korean People's Army, in his speech pointed out that the treaty has contributed to developing the Korean-Soviet relations into an alliance with legal foundations and cementing the bonds of friendship and cooperation between the two countries.

The whole course of development of the Korean-Soviet relations shows that it is important for both sides to faithfully implement their obligations under the treaty in keeping with the desires and expectations of the peoples of the two countries, he said, and stressed:

In the future, too, the treaty will continually be evaluated through the relations between the two countries.

We sincerely wish the Soviet people success in their future endeavours to preserve the union, attain political and economic stability of the country and ensure world peace.

Dailies Commemorate Soviet Treaty Anniversary

*SK0607060191 Pyongyang KCNA in English
0531 GMT 6 Jul 91*

[Text] Pyongyang July 6 (KCNA)—Papers here today carry editorial articles on the occasion of the 30th anniversary of the signing of the Korean-Soviet Treaty of Friendship, Cooperation and Mutual Assistance.

NODONG SINMUN says in its article:

The signing of the Korean-Soviet Treaty of Friendship, Cooperation and Mutual Assistance marked an important milestone in strengthening and developing the bond of friendship and cooperation between the two peoples.

Korean-Soviet friendship has in the past developed favorably in accordance with the spirit and aim of the treaty and its vitality has been testified in different domains.

The treaty has contributed to the revolution and construction in the two countries.

The Korean and Soviet peoples have long since waged a struggle against imperialism and for national and social liberation and supported and cooperated with each other in the struggle for the revolution and construction. In the past period the Soviet people have made a big progress in its endeavours to safeguard the gains of October, consolidate and develop the state and social system, and hasten socio-economic development.

Today the Soviet people are striving to promote the stability of the country, surmount the crisis and achieve an economic development.

The Soviet people are making efforts to ensure peace and security in Europe, Asia, and the rest of the world.

We hope that everything will go well in the Soviet Union in keeping with the desire and demand of the Soviet people and the socialist cause and support the Soviet people in their efforts to safeguard the peace and security of the world.

To achieve peace and peaceful reunification of Korea is not only the vital demand of our people but of great vignificance in ensuring peace and security of Asia and a sound development of international relations as a whole.

Our party and people are actively striving to accelerate national reunification, remove the danger of a nuclear war in our country and guarantee peace of the Korean peninsula and, furthermore, to build a free and peaceful new Asia, and this enjoys active support and encouragement from the world peaceloving people.

In consolidating and developing the Korean-Soviet friendship, it is important for both countries to honestly fulfil the duty under the treaty of friendship, cooperation and mutual assistance and to create favourable circumstances and conditions to this end. The Korean-Soviet relations of friendship and cooperation must be developed on the basis of the idea of independence, peace and friendship and the principles of equality, reciprocity, mutual respect and cooperation and non-interference in each other's internal affairs.

Our people wish the Soviet people success in the work to preserve and consolidate the union, achieve the political, and economic stability and the country's development and ensure the world peace.

The MINJU CHOSON article says that the treaty has greatly contributed to expanding and developing the friendly and cooperative relations between the two peoples in conformity with the mutual interests and to checking and frustrating the new war moves of the imperialists and defending peace in Asia and the rest of the world. On the occasion of the 30th anniversary of the signing of the Korean-Soviet Treaty of Friendship, Cooperation and Mutual Assistance, the Korean people express the belief that the friendly and cooperative relations between the two peoples will grow stronger and develop in the future, too, in the spirit of the treaty, the article says and wishes the Soviet people new success in their work.

Local Assemblies in Japan Urge Ties With North

SK0907062391 Pyongyang KCNA in English
0511 GMT 9 Jul 91

[Text] Tokyo July 7 (KNS-KCNA)—Those local autonomous assemblies of Japan which adopted resolutions calling for early normalisation of diplomatic relations between Japan and the DPRK numbered more than 1,077 as of July 2.

This fully shows that the demand for the normalisation of diplomatic relations between Japan and the DPRK is an irresistible trend.

Yi Chong-ok Speaks at Banquet for Portuguese

SK0707094391 Pyongyang KCNA in English
0820 GMT 7 Jul 91

[Text] Pyongyang July 7 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] Saturday arranged a banquet for the visiting delegation of the Communist Party of Portugal [CPP].

Yi Chong-ok member of the Political Bureau of the C.C. [Central Committee], the WPK and vice-president, made a speech at the banquet.

The meeting between the respected leader Comrade Kim Il-song and respected comrade Secretary-general Alvaro Cunhal in Pyongyang in 1985 opened a new higher stage in consolidating and developing the friendly bonds between the two parties, he said, and continued:

Although complicated events have broken out in the international arena and various problems have arisen in international relations in the recent few years, the relations between our two parties are becoming all the closer.

The Communist Party of Portugal with a long fighting tradition has grown to be an influential political force in Portugal and is successfully discharging its duties as a vanguard of the working class.

We highly appreciate the activities of your party to defend the gains of the April revolution, ensure democratization and independent development of the country and safeguard the interests of the working masses and the cause of socialism, and sincerely wish your party greater success in its future struggle.

We will, in the future, too, exert all efforts to constantly strengthen and develop the bonds of fraternal friendship and solidarity with the CPP.

Speaking next, head of the delegation Alvaro Cunhal, secretary-general of the C.C., the CPP, said he came to visit the Democratic People's Republic of Korea to develop the friendly relations that have existed from long ago between the WPK and the CPP and between the two countries and peoples.

Negative changes are taking place in the world balance of forces, he said, and went on: By taking advantage of these changes, the imperialists, especially the U.S. imperialists, are trying to establish their world domination while continuing to maintain their exploitative and aggressive nature.

This situation requires that friendship, solidarity and cooperative relations be strengthened between the Communists of all countries and the forces championing social progress, national independence and peace.

Capitalism can not solve the serious problems facing mankind, and the future for mankind lies in socialism, he stressed.

He wished that the Korean people will accelerate the building of socialism and achieve the peaceful reunification of the country at an early date.

Yi Chong-ok Attends Meeting on Machine Movement

SK0507004891 Pyongyang KCNA in English 2227 GMT 4 Jul 91

[Text] Pyongyang July 4 (KCNA)—A national meeting of frontrankers in the model machine movement of loyalty for emulating lathe No. 26 was held here on July 3 and 4.

This movement was initiated by the dear leader Comrade Kim Chong-il 30 years ago. It is a mass movement to turn equipment control into a work of the masses themselves and thereby readjust machines and equipment neat and clean, make an effective utilization of them and constantly enhance the technical equipment standard and production capacity.

Personally operating lathe No. 26 at the Pyongyang textile machine factory in the period from mid-April to early May, 1961, Comrade Kim Chong-il set a noble example in tending equipment and led the workers to push ahead with the model machine movement as a powerful mass movement.

The meeting reviewed successes and experiences gained in the model machine movement under the guidance of the party and discussed tasks to further develop this movement in depth in compliance with the requirements of our developing revolution to win the complete victory of socialism at an earlier date by accelerating socialist construction.

A congratulatory message of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] to the participants in the meeting was read out at the meeting by Yi Chong-ok, member of the Political Bureau of the C.C., WPK and vice-president.

The message says the model machine movement of loyalty for emulating lathe No. 26 going on briskly throughout the country is an excellent method of communist equipment control which reflects the invariable desire and will of our working class and labouring masses to defend and further glorify the exploits performed by our party, united with one mind behind the party and the leader.

The great achievements in the socialist construction of our country are associated with the precious efforts of our working class and labouring masses who have devotedly worked to improve equipment control, technical control as required by the Taean work system, a socialist economic management system of our own style, and effect a great upswing in production and construction through the brisk model machine movement of loyalty for emulating lathe No. 26, the message notes.

The message says the WPK Central Committee highly estimates the brilliant feats of labour performed by the heroic working class and other working people including the frontrankers of the model machine movement in vigorously waging the model machine movement of loyalty for emulating lathe No. 26 so as to bring into full play the advantages and vitality of the chuche system of economic management and promote socialist economic construction and the ideological, technical and cultural revolutions under the leadership of the party.

Han Song-yong, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, made a report.

He noted that the model machine movement grasped the hearts of the working class and other working people and effectively mobilized them to new creation, innovation, struggle, and feats as it is a brilliant embodiment of the principles of the chuche idea and the revolutionary mass line of our party.

In the course of this movement, more than 1,027,000 machines and 98,500 workteams have won the model title and 9,400 workshops and 4,830 factories have won it once or twice and some 300 factories received "honour prize of lathe No. 26 model factory," the reporter said.

He stressed the need to creditably fulfil the tasks set out in the congratulatory message of the party Central Committee, further develop in depth the model machine movement of loyalty for emulating lathe No. 26, tap the production potentials to the maximum and bring about a constant upswing in socialist construction.

Speeches were made at the meeting.

A letter of pledge to the WPK Central Committee was adopted at the meeting.

Daily Explains 'Chuche' Leads to Independence

SK0407122791 Pyongyang KCNA in English 1028 GMT 4 Jul 91

["The Chuche Idea Is Revolutionary Idea Indicating the Way of Realizing the Independence of the Popular Masses"—KCNA headline]

[Text] Pyongyang July 4 (KCNA)—NODONG SINMUN today carries an article headlined "The Chuche Idea Is Revolutionary Idea Indicating the Way of Realizing the Independence of the Popular Masses."

The article quotes the great leader Comrade Kim Il-song as saying:

"The chuche idea is a scientific doctrine of socialism which indicates the way to realize the complete independence of the popular masses through the transformation of nature, society and man himself to meet their desires by relying on the inexhaustible creativity of the masses, the makers of history."

It says:

The chuche idea is a scientific doctrine indicating the way of realizing the complete independence of the popular masses because, above all, it clarifies the target and basic content of the realization of the complete independence of the popular masses.

The chuche idea makes it clear that the domains of transformation for the realization of the independence of the popular masses are nature, society and man himself and to transform these three domains to meet their desires means to realize the complete independence of the popular masses and thus lucidly expounds the basic content and target of the realization of independence. This is a most correct viewpoint regarding society and its development with man, the popular masses, in the center and a scientific idea which most perfectly indicates the content of social development.

When the three domains are transformed to meet the desires of the popular masses, man becomes a full master of nature, society and himself, free from the fetters of nature, social subjugation and fetters of old idea and culture.

The chuche idea is a scientific doctrine indicating the way of realizing the complete independence of the popular masses because it also indicates the way of realizing independence.

To indicate what strength the popular masses depend upon in realizing independence is one of important aspects arising in showing the way of realizing independence.

The chuche idea propounds that the strength of realizing the independence of the popular masses is their creativity and thus makes the people shape their destiny, believing in and cultivating their own strength.

It expounds that the creativity of the popular masses is an organized and awakened revolutionary force and it can display the greatest strength when it is welded into an integrated whole in which the leader, the party and the masses are unified as one life, a socio-political organism, and thereby shows the true way of giving play to the creativity of the popular masses.

The chuche idea is a scientific doctrine indicating the way of realizing the complete independence of the popular masses because it also gives perfect answers to the theoretical and practical problems arising in the building of socialism and communism.

The only way of realizing the complete independence of the popular masses is to establish the socialist system and build socialism and communism.

The chuche idea expounds that the socialist society is a society where the popular masses are the master of the state and society holding the state power and the means of production in their hands, a society where political life, economic life and ideological and cultural life come into full bloom, a society where the people lead a life based on collectivism, not on individualism, and that if the socialist society is to be built, the leadership of the party and the leader must be strengthened, a steel-like unity of the popular masses be achieved and the three revolutions, ideological, technical, and cultural, to occupy the politico-ideological fortress as well as the material fortress be pressed ahead.

That the chuche idea is a scientific doctrine indicating the way of realizing the complete independence of the popular masses is clearly proved by the reality of our country in which it is embodied.

Our socialism is a true people's society where the popular masses enjoy the independent and creative life in all domains as the masters of the state and society.

KCNA Review of 5 Jul Pyongyang Press

SK0507055491 Pyongyang KCNA in English 0519 GMT 5 Jul 91

[Press review]

[Text] Pyongyang July 5 (KCNA)—Papers here today carry messages of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Cape Verde President Antonio Manuel Mascarenhas Gomes Monteiro on the occasion of the 16th anniversary of the independence of Cape Verde and the proclamation of the Republic and to Venezuelan President Carlos Agres Perez on the occasion of the 180th anniversary of the independence of Venezuela.

Carried in NODONG SINMUN is a letter to the great leader President Kim Il-song from the participants in the starting ceremony of the "international solidarity march for supporting Korea's reunification" held in Peru.

An article of the paper says President Kim Il-song put up Pak Chong-kuk's family of tractor drivers at the Yongyon County integrated farm in South Hwanghae Province as frontrankers in the "let-all-family-operate-machines movement" and saw to it that this movement was pressed forward in the rural communities.

Given in the paper is an account of the dear leader Comrade Kim Chong il's work "Our Socialism for the People Will Not Perish" being studied and disseminated abroad.

It gives an account of symposiums on works of Comrade Kim Chong-il held at the Kyoto and Aichi prefectural headquarters of the General Association of Korean Residents in Japan (Chongnyon).

Papers report that a meeting was held on the lapse of 15 years since comrade Kim Chong-il saw and guided a performance of the art circles in Samjiyon County, Yanggang Province.

Appearing in papers is news that a message of thanks of the C.C. [Central Committee], the Workers' Party of Korea was conveyed to the scientists, technicians and employees of the geological research institute of the academy of sciences who achieved excellent successes in scientific researches.

NODONG SINMUN comes out with an editorial entitled "Let Us All Become Creators of Heroic Feats in Grand Construction March."

Given in the press is an account of the closure of the national meeting of frontrankers in the model machine movement of loyalty for emulating lathe No. 26.

Econews of the press include a report about effective tending of paddy and nonpaddy fields at co-op farms.

Papers inform the readers of the holding of a national music and dance festival.

Conveyed in the press are foreign public voices strongly demanding the immediate withdrawal of the U.S. troops and nuclear weapons from South Korea on the occasion of the June 25-July 27 month of anti-U.S. joint struggle and voices at home and abroad supporting the joint statement of the DPRK political parties and public organizations.

NODONG SINMUN runs a commentary denouncing the South Korean authorities for refusing to take over the letter of the chairman of the Korean Student Committee addressed to the South Korean "education minister" regarding the Panmunjom working-level talks of students in the North, the South, and overseas.

Papers carry a statement issued to the press by the spokesman for the Korean Student Committee condemning the South Korean authorities' crackdown on the South Korean National Council of Student Representatives (Chondaehyop) on the occasion its dispatch of students to a meeting for the preparation of the second pan-national rally due in Berlin.

The U.S. imperialists and the South Korean puppets do not cease from their war exercises against the North, says NODONG SINMUN.

It carries the last part of an article indicting that the U.S. imperialists and the South Korean puppets are the criminals who unleashed the Korean war.

Starting ceremonies of the "international solidarity march for supporting Korea's reunification are being continuously held in different countries, reports the press. [no end quotation mark as received]

NODONG SINMUN in a commentary headlined "Improper Act" flails the insidious acts of some U.S. figures in speaking ill of the North as if it were using the remains of U.S. soldiers for a "political aim".

Given in the daily is an account of a meeting of the Ministry of People's Armed forces held to mark the 30th anniversary of the signing of the treaty of friendship, cooperation and mutual assistance btween the DPRK and the USSR.

"Collection of Mao Zedong's Writings" was brought out in China and the Cameroonian president outlined the question of economic reconstruction of his country, according to the paper.

Papers observe the 180th anniversary of the independence of Venezuela, the 16th anniversary of the independence of Cape Verde and the proclamation of the Republic and the independence day of Algeria.

MINJU CHOSON dedicates an article to the day of the independence of Malawi and proclamation of its Republic.

NODONG SINMUN and MINJU CHOSON come out with articles under the respective titles "Denuclearisation of Korean Peninsula and Removal of Nuclear Threat From Asia" and "National Independence and Global Independence."

South Korea

Nuclear Inspection To Be Discussed at G-7

SK0807122991 Seoul YONHAP in English 1213 GMT 8 Jul 91

[Text] Seoul, July 8 (OANA-YONHAP)—Japanese Prime Minister Toshiki Kaifu on Monday told South Korean President No Tae-u that the G-7 meeting opening next week will make full consideration of North Korea's nuclear inspection issue in connection with Seoul's position and peace on the Korean peninsula.

No, receiving a call from Kaifu, explained during the 20-minute talks results of his summits with U.S. President George Bush and Canadian Prime Minister Brian Mulroney.

The South Korean leader had just returned Sunday from his state visit to Washington and Ottawa where Korean unification, trade relations and North Korea's nuclear threat were discussed in depth.

The G-7 meeting, to open July 15, will try to put more emphasis on the developments in Asia and will review North Korea's nuclear inspection issue in connection with South Korea, Kaifu said.

The Seoul government is urging G-7 members to adopt a resolution pressing Pyongyang to sign the Nuclear Safeguards Agreement which mandates opening of all its nuclear-related facilities to outside inspection.

No said both Bush and Mulroney agreed that North Korea's nuclear arms development threatens not only the Korean peninsula but the entire Northeast Asia, and that Pyongyang must unconditionally sign the safeguards accord and make sincere efforts for improving inter-Korean relations.

The South Korean president thanked Japan's past cooperation on these issues and requested that the two countries continue full consultation.

Kaifu was quoted as saying that Japan will take into account South Korea's position and peace on the peninsula in seeking relations improvement with North Korea. The Pyongyang-Tokyo ties, the Japanese prime minister said, must not undermine the traditional amity between Tokyo and Seoul.

North 'To Negotiate' IAEA Accord Signing

SK0907081791 Seoul YONHAP in English 0751 GMT 9 Jul 91

[Text] Seoul, July 9 (OANA-YONHAP)—North Korea has sent three officials to Vienna to negotiate the signing of a Nuclear Safeguards Accord with the International Atomic Energy Agency (IAEA), a South Korean official said Tuesday.

There will be discussions July 10-15 with IAEA officials on drawing up a model agreement, he said.

"We have confirmation that three North Korean officials are already in Vienna for the talks," the official said.

North Korea is likely to adhere to the terms of the model agreement without attaching annexes, he said.

Since Pyongyang does not require extensive procedures other than direct approval from President Kim Il-song to officially finalize the agreement, it will probably be able to sign the accord at the IAEA Board of Governor's meeting in September, he said.

"We will be carefully watching how the negotiations progress, especially whether North Korea will sign and immediately implement the agreement," he said.

It is quite possible that North Korea could sign a safeguards accord but delay carrying out the terms, he added.

North Submits Application for UN Membership

SK0907014991 Seoul YONHAP in English 0039 GMT 9 Jul 91

[Text] United Nations, July 8 (YONHAP)—North Korea submitted an application for United Nations membership to U.N. Secretary-General Javier Perez de Cuellar early last week, U.N. sources said Monday.

The sources said the application was sent in the name of Vice Prime Minister and Foreign Minister Kim Yong-nam on July 2 and that it said North Korea was applying under article 4 of the U.N. Charter.

In a declaration submitted with the application and based on Article 58 of the regulations pertaining to U.N. Security Council procedures, Kim said North Korea would accept and fulfill the obligations of the U.N. Charter.

In a surprise diplomatic turnaround, North Korea announced May 28 that it was dropping its long-held opposition to separate U.N. membership for the two Koreas and would file an application alongside the South.

Welcoming North Korea's about-face, South Korea expressed the hope that the two sides could file their applications before the General Assembly convened Sept. 17 so that the applications could be passed in a single resolution on that day.

A ranking Seoul government official said over the weekend that North Korea recently suggested that it would like its application for U.N. membership handled in a single resolution with South Korea's application.

The Soviet Union and China, both among the five permanent members of the U.N. Security Council, conveyed the North Korean intention to the United States recently, he said.

The Security Council will convene in mid-August, and North Korea's position increases the possibility that the applications will be handled as one.

John Bolton, U.S. assistant secretary of state for international organization affairs, told a press conference here July 5 that discussions had been made within the Security Council about following the German formula on Korea's membership bid.

"It's a historic precedent that is out there," he said. East and West Germany joined the United Nations in 1973 in a single resolution.

Envoy 'Unhappy' Over Application

SK0907025891 Seoul YONHAP in English 0235 GMT 9 Jul 91

[Text] United Nations, July 8 (YONHAP)—No Chang-hui, chief of the South Korean observer mission to the United Nations, said Monday that he was unhappy but not surprised by North Korea's application for U.N. membership.

"I have proposed to them several times that we discuss the timing of application and related procedures, but they did not respond. I'm not surprised they filed their application alone, but I wish we had filed our applications together," No said.

North Korea submitted an application dated July 2 and signed in the name of Vice Premier and Foreign Minister Kim Yong-nam to U.N. Secretary-General Javier Perez de Cuellar on Monday.

Sources on the South Korean observer mission said Seoul would go ahead with its plan to submit an application in early August after completing domestic procedures and become a U.N. member on Sept. 17, when the General Assembly acts on membership applications.

In Seoul, Foreign Minister Yi Sang-ok said he welcomed North Korea's application and predicted that both applications would be treated in a single resolution by the world body.

North Korea on May 28 dropped its stubborn opposition to separate U.N. membership for the two Koreas and announced it would apply separately from the South.

It had argued for sharing a single U.N. seat, claiming that joining as separate members would perpetuate national division.

Korea was divided into the capitalist South and communist North in 1945 at the end of World War II, and the two sides fought a three-year war from 1950.

Yi Sang-ok Welcomes Application

SK0907024991 Seoul YONHAP in English 0220 GMT 9 Jul 91

[Text] Seoul, July 9 (OANA-YONHAP)—South Korea welcomes North Korea's submission of an application for membership of the United Nations and hopes it will fully accept and carry out the responsibilities of the U.N. Charter, Foreign Minister Yi Sang-ok said Tuesday.

The application was likely to be handled in a single resolution with South Korea's since U.N. members favor this formula, Yi said.

South Korea would submit its application as scheduled late this month or early next month, the minister said. The government will present a bill on U.N. membership to the National Assembly Foreign Affairs and Reunification Committee on Thursday. The bill is expected to be passed on Saturday.

North Korea's U.N. application, submitted on Monday, was dated July 2 and signed by Foreign Minister Kim Yong-nam, a Foreign Ministry official said. It was delivered to the U.N. secretary-general's office by Pak Kil-yon, head of North Korea's observer mission to the world body.

"North Korea most likely attached a statement to the application saying it would abide by the full terms of the U.N. Charter," Yi said. "We hope that North Korea will become a responsible member of the international society.

"We hope that with North Korea's U.N. application, Pyongyang will return to inter-Korean talks with sincere efforts."

The G-7 [Group of Seven] meeting in London July 15-17 is expected to make "a strong statement" on North Korea's obligation to sign a nuclear safeguards accord, Yi said, adding that North Korea's nuclear program is one of the most controversial international issues at this time.

South Korean President No Tae-u and U.S. President George Bush reaffirmed in summit talks last week that North Korea's signing of the accord is obligatory and cannot in any way be linked to preconditions.

Denying a report by Pyongyang's Korean Central News Agency that Pyongyang and Washington are engaged in negotiations on opening North Korea's nuclear-related facilities to outside inspection, Yi said the United States would not allow "such bargaining."

No Tae-u Urges Cabinet To Advance Unification

SK0807061691 Seoul YONHAP in English 0514 GMT 8 Jul 91

[Text] Seoul, July 8 (YONHAP)—South Korean President No Tae-u told the cabinet Monday to take "progressive, realistic and concrete" steps toward North Korea to advance unification.

No, who returned Sunday from a week-long tour of the United States and Canada, said the government should be more "positive" in its diplomatic activities and take a leading role in the process of unification and in the new order in Northeast Asia.

"During the summit talks, trade was not dealt with deeply, but anyway, you should make it clear to other nations what you can do and what you can't, to prevent unnecessary distrust and friction. Once you make promises, fulfill them thoroughly," No said.

He was a state guest in Washington and Ottawa on July 1-5.

"From these visits, I felt that we are standing at a very important juncture to decide the future of our nation and people. I also felt that we are having a very good opportunity historically.

"We should recognize that an era of reunification is now unfolding. The unfortunate division of our national territory was caused by the surrounding countries, but we should realize reunification by ourselves."

Predicting many changes will occur in relations between South and North Korea with their joining of the United Nations this fall, he said, "In the course of carrying out diplomatic activities, we should now picture Korea as a unified country. We should work out mid- and long-term measures to build a firm status in Northeast Asia."

South To Propose Joint Celebration With North

SK0807064191 Seoul YONHAP in English 0551 GMT 8 Jul 91

[Text] Seoul, July 8 (YONHAP)—Prime Minister Chong Won-sik on Monday told the National Assembly that the South Korean Government would soon draw up proposals for joint independence day celebrations with North Korea.

Chong said the offer would take into consideration changes in relations between Seoul and Pyongyang and the international climate for unification and would reflect a variety of opinions from all walks of life.

The Assembly is in session from Monday until July 24 to deal with the supplementary budget, electricity shortages, jerry-built apartments in new cities and relations with North Korea.

"North Korea will be no longer able to insist on isolation or resist the world trend that broke down the wall of the cold war. Post-unification plans will be made on an all-government basis in awareness that unification is not a vague anticipation but a practical task that compels us to do concrete preparations," Chong said.

The government would start with easy and practical steps in its dialogue with Pyongyang and activate private personnel and material exchanges in accordance with its July 7, 1988, peace initiatives, he said.

Joint admission to the United Nations would restore peace on the Korean peninsula and create a favorable climate for unification diplomacy, he said.

"We will persuade North Korea to join the international community as a responsible member, making efforts to open and promote relations with North Korea," Chong said.

He said President No Tae-u's state visits to North America highlighted the maturing of the environment for peace and unification of the Korean peninsula.

'Plans To Hold' Pilgrimage With North Reported

SK0807130291 Seoul YONHAP in English 1245 GMT 8 Jul 91

[Text] Seoul, July 8 (YONHAP)—The South Korean Government plans to hold "a joint pilgrimage" with North Korea from Mt. Paektu in the North all the way down to Mt. Halla in the South Aug. 15-31, a well-placed government official said Monday.

He said, speaking on condition of anonymity, that Unification Board Minister Choe Ho-chung is expected to make the proposal to Pyongyang on July 15.

"The government will form an ad hoc committee comprised of civilians and government officials in mid-July. If dissidents apply for individual participation, they may be accepted," he said.

A package proposal will be made in line with President No Tae-u's instructions following his state visit to the United States and Canada last week that South Korea take the initiative on Korean reunification.

According to the plan, some 500-1,000 participants from South and North Korea will hold joint celebration for the 46th anniversary of Korea's liberation from Japanese colonial rule at the truce village of Panmunjom on Aug. 15.

They will march through the truce village of Panmunjom and cross into Pyongyang to have the first symposium on reunification of the Korean peninsula.

They will then make a joint expedition to Mt. Paektu and there observe a ritual service for reunification before heading for Seoul, the southern capital, to have the second symposium before climbing Mt. Halla on Cheju Island.

The pilgrimage will culminate in a joint festival at Panmunjom on Aug. 31.

"Should the North accept our proposal, detailed schedule and costs will be decided after consulations with the North," the official said.

He said North Korean unification formula of "a democratic confederal republic of Koryo," could be discussed at the symposiums.

He drew a clear line, however, between Seoul's proposal and Pyongyang's suggestion to South Korean dissidents for a pan-national conference, saying that such conference lacks proper representation.

"Seoul's position is that North Korea's motive behind its proposal of the pan-national conference is to subvert South Korea," the official said.

Two Arrested for Helping Students Violate Law

SK0407065891 Seoul THE KOREA HERALD in English 4 Jul 91 p 2

[Text] Four family members of two activist students, who are now in Berlin to attend a rally sponsored by local dissidents and North Koreans, left for Berlin aboard a Paris-bound KAL plane yesterday to persuade them to return home.

They included Kye Myong-sin, 60, mother of Pak Song-hui, a Kyonghui University coed, and Song Chon-kyong, 50, father of Song Yong-song of Konguk University. They are to arrive in Berlin at 10 p.m. Wednesday [3 July].

Meantime, the Agency for National Security Planning (NSP) arrested two members of Chonminnyon, the nation's largest dissident coalition, on charges of their involvement in an attempt by the two students to make an unauthorized visit to North Korea.

The agency said Chong Yun-so, 30, and Kim Hyong-min, 30, are charged with violating the National Security Law which bans the exchange of correspondence and contact with North Koreans or North Korean organizations.

They are suspected of exchanging letters with an overseas branch of a local dissident group in Berlin in connection with the two students' plan to visit Pyongyang, NSP said.

Prime Minister Chong Hints at Retaining NSL

SK0907090291 Seoul YONHAP in English 0838 GMT 9 Jul 91

[Text] Seoul, July 9 (YONHAP)—Prime Minister Chong Won-sik hinted while answering questions in the National Assembly Tuesday that the National Security Law [NSL] will be retained after South and North Korea join the United Nations.

"It is true South and North Korea's simultaneous entry into the United Nations will greatly contribute to settling peace on the Korean peninsula, but that will be insufficient to ensure peaceful co-existence," Chong told the South Korean parliament.

"As long as North Korea does not give up its policy of communizing the South, and anti-state forces exist (here) that sympathize with North Korea's policy, a minimum legal device is necessary for national security."

Deputy Prime Minister Choe Ho-chung told the assembly that the government was working on measures to minimize the side effects of reunification, particularly the financial burden.

"An environment conducive to reunification is being formed inside and outside the country.... In North Korea, the political conflict is worsening due to problems from the prolonged rule of Kim Il-song and the transfer of power to his son, Chong-il, and inefficient management of the national economy is fanning class conflict and stagnation.

"North Korea is showing hopeful signs that bit by bit it will escape the current political, economic difficulties. It has expressed a will to join the United Nations and to accept international inspection of its nuclear facilities. When South and North Korea are unified, much money and time will be needed to bridge the economic and industrial gap between the two sides and to raise the living standard of people on both sides."

Choe said, however, that the government was not considering a new tax to pay for reunification.

Contact Lost With Pak Chol-on on PRC Visit

SK0407074891 Seoul YONHAP in English 0713 GMT 4 Jul 91

[Text] Seoul, July 4 (YONHAP)—Sports and Youth Minister Pak Chol-on has disappeared in China, and his staff at the Ministry are growing extremely concerned for his safety.

Pak left Kimpo International Airport at 9 A.M. Monday [1 July] and on arriving in China after a night in Hong Kong he called Vice Minister Kim Yong-kyun to give him instructions. No one has heard from him since and it is as if he vanished into thin air, an aide said Thursday.

"I am eager to know what has happened to him. I have got many things to report to him," the close aide said.

Nothing has been heard of the officials who went with him, either, not even from the Foreign Ministry knows, he said. [sentence as received]

Pak was invited by Wu Shaozu, state physical culture and sports minister, and was supposed to discuss with senior Chinese officials the promotion of sports exchanges and formalization of diplomatic ties.

PRC Fishing Boats Expelled From South Waters

SK0307030991 Seoul THE KOREA HERALD in English 3 Jul 91 p 3

[Text] Mokpo, Chollanam-to—Dozens of Chinese fishing boats were expelled from Korean waters early yesterday morning while they were fishing along the West Coast, the maritime police said.

The maritime police expelled the Chinese vessels after being informed of the illegal fishing by Korean fishermen who were fishing in waters about 1 km northwest of Yongam County, Chollanam-to, the Mokpo Maritime Police said.

Skipper Yun Ki-song, 44, of the 99-ton vessel Yongkwang-ho registered with Kunsan City, said he informed the maritime police of the illegal fishing by the Chinese.

Joint Venture Ferry To Begin With PRC

SK0307062991 Seoul YONHAP in English 0603 GMT 3 Jul 91

[Text] Seoul, July 3 (YONHAP)—Cosmotiger of South Korea and Tianjin Marine Shipping Co. of China will launch a joint-venture ferry service between Inchon and Tianjin in October, a Korean company spokesman said Tuesday.

Cosmotsinlien Car Ferry Co., a 50-50 joint venture, will use a 10,000-ton ferry sailing twice a week if it gets the approval of the Korea Maritime and Port Administration, he said.

The service, the first on this route, will have a capacity of 500 passengers and 5,000 tons to 6,000 tons of cargo a week.

Weidong Ferry Co., a joint venture between six Korean and two Chinese firms, has run a ferry on the Inchon-Weihai line since September 1990.

Container Shipping Service With China Planned

SK0407062091 Seoul YONHAP in English 0220 GMT 4 Jul 91

[Text] Seoul, July 4 (YONHAP)—A fifth regular container service between Pusan and Inchon in Korea and Shanghai, Tianjin, Qingdao and Dalian in China will Open Aug. 1 with 12 sailings a month, Kyunghan Shipping Co., a Korea-China joint venture, said Thursday.

The container service will initially operate on four routes—Pusan-Tianjin, Pusan-Qingdao, Pusan-Dalian and Pusan-Shanghai—and expand to Inchon if necessary, a spokesman said.

Heung-a Shipping Co., the Korean partner, and China Ocean Shipping Co. (Cosco), the Chinese partner, set the date in talks in Beijing, he said.

Kyunghan has three vessels—the 277-teu (twenty-foot equivalent unit) "Rook Express," 125-teu "Rook Mariner," and 125-teu "Rook Trader"—and will soon acquire a 200-teu vessel, he said. The vessels are all registered in China.

Sinokor Ltd., a joint venture between Dongnama Shipping Co. and the China National Foreign Trade Transportation Corp., has had a container service on the routes since June 1989.

There are complaints that too many shipping companies are on the line. The route is also served by three shipping companies registered in Hong Kong.

A Korea Maritime and Port Administration official said it did not matter because the government would kick the three Hong Kong companies off the routes to help the Korea-China joint ventures.

Last year, shipping companies carried 53,000 teu on the lines. Petrochemical products, electronic goods and textiles were shipped to China, and agricultural products, raw cotton and minerals were brought to Korea.

Jan-May Imports From China Statistics Reported

SK0607045891 Seoul YONHAP in English 0231 GMT 6 Jul 91

[Text] Seoul, July 6 (OANA-YONHAP)—Imports from China are growing and diversifying to automotive parts and electric appliances, according to figures released by the Trade and Industry Ministry on Saturday.

Korea bought 1.2 billion U.S. dollars of goods from China in January-May, up 56.8 percent from the same period last year. Exports to China increased 47.7 percent to 304 million dollars.

The biggest jumps in imports were synthetic resin, up 946 percent to 20 million dollars, anthracite, up 400 percent to 17 million dollars, cement, up 280 percent to 99 million dollars, corn, up 170 percent to 139 million dollars, and raw cotton, up 202 percent to 38 million dollars.

Reinforced steel and steel plate fared well, with imports increasing 183 percent and 489 percent, respectively.

Korean palates found Chinese garlic enticing, and imports rose 200 percent to 20,000 dollars. Koreans bought 227 percent more sesame for 7.59 million dollars and chewed 689 percent more Chinese peanuts, costing 12.2 million dollars.

Automotive parts imports increased 230 percent to 2.3 million dollars.

Ministry officials said Chinese machinery parts and electric appliances were new discoveries because of their low prices. A lack of skilled workers and high wages makes Korean products more expensive, they said.

Corn and anthracite, bought mostly from the United States and Australia, are also cheaper in China, the officials said.

Illegally Employed Korean-Chinese 'Increasing'

SK0707020491 Seoul THE KOREA HERALD in English 7 Jul 91 p 3

[By staff reporter Ha Mi-kyung]

[Text] In the subway in front of Seoul Railroad Station, where passers-by seem to have difficulty breathing because of the heat and humidity, some Korean-Chinese peddlers line both sides of the passage, their faces expressionless.

It has been a quite familiar daily scene for Seoul subway commuters for more than a year.

This summer, however, subway commuters may notice that the number of Chinese medicine hawkers has sharply decreased from about 1,000 to less than 400.

Instead, relatively young Korean ethnics from China can be seen hanging around the subway station.

They are waiting around for jobs which can pay enough for them to purchase return tickets plus such electric appliances as color TVs and refrigerators.

They only have to wait a few hours before they get picked up by recruitment squads from construction firms suffering severe manpower shortages.

A thriving black labor market has been formed in and around the subway station for homeland visitors from China.

Visitors used to stuff their travel bags with Chinese medicines in hopes of selling them on the domestic market to earn ticket money.

But after TV broadcasts were aired late last year showing more than half black market Chinese medicines were ineffective or substandard, many of the visitors were forced to return to China with huge amounts of unsold goods.

In most cases, they found their lives back in China totally wrecked as they had no way to pay back the money they had borrowed to initially buy the medicines.

So, recent visitors have resorted to quite a different solution: getting a job.

Nowadays, an increasing number of visitors from mainland China are flocking here for the sole purpose of employment.

When they leave, they carry off huge bags swollen with fancy electronic items which would cost several months' wages in China.

Most of them get menial jobs on construction sites and some young girls even dare to work as part-time bar hostesses.

Chae Heung-yong, 34, a taxi driver from Harbin, earns 40,000 won a day repairing roads. He is also provided with free accommodation.

He said one of his friends had failed to sell medicines here and was now living a miserable life in despair over his debt, which he probably won't be able to pay back within the next decade.

Chae added that he'd like to purchase some electronic goods and clothes as gifts for his family.

A man in his late 30s, who works for a trading company in Harbin, says Chinese customs officials allow them to bring in one large electric or electronic item like television sets, refrigerators, and VCRs, in addition to three or four small ones such as rice cookers, electronic ranges and irons.

He said it is unimaginable to buy those items with his meager monthly salary in China which only amounts to 12,000 won.

Despite the increasing trend among Korean-Chinese visitors to be employed as construction workers, part-time waitresses or waiters, some have not yet given up selling the medicines into which they have invested all their money.

A woman in her mid-30s from Heilongjiang said she has been playing a hide-and-seek game with subway officials for the past several months: Heilongjiang is one of the northeastern provinces where most of the Koreans fleeing the harsh Japanese colonial rule in the 1930s settled.

More than half of her medicines were seized by customs officials at Kimpo International Airport and one-third of the remainder was confiscated by the charging subway officials.

They make surprise checks on medicine vendors several times a day in a bid to restrict the trafficking of bogus Chinese medicines.

The crowded Chongno streets and City Hall subway station were also favorite spots for Chinese medicine hawkers, but now the Seoul Station subway remains the sole venue for desperate vendors.

When approached, they showed vivid signs of suspicion and fear and most of them refused to talk or to be identified.

The woman, who also refused to be named, said her daily profits are barely enough to cover the 5,000 won for her room at an inn which she shares with two other Korean-Chinese.

Sooner or later, she will have to join her fellows who are learning the hard lessons of the capitalist system in the country of their origin, she admits.

In 1988, Chinese immigration authorities simplified the procedures for passport application. Korea and China have become closer, clearing the way for long separated families to be reunited.

But the closer ties between the two countries have also caused many "headaches" for the authorities.

About one and half years ago authorities, especially customs officials, were at a loss about how to deal with the swarms of Chinese medicine vendors who packed sidewalks of the subway stations and downtown Seoul.

Now, they are in a quandary over the increasing illegal employment rate among visiting Korean-Chinese.

Law-enforcement authorities have not yet made any moves, though acknowledging employment on a tourist or visiting visas is violation of the Immigration Law.

Maybe, rumors will once again be circulated in the Korean community in China that one can make a fortune working for just six months in their homeland.

This will surely bring in another wave of "economic refugees" from China. They usually overstay their visas and quite possibly cause serious social problems.

Last month, a Korean-Chinese who worked as a coffeeshop waitress was kidnapped by a group of gangsters and released four days later. Analysts say this signals future crimes victimizing innocent Korean-Chinese.

Last Saturday a visa broker, who made fake visiting cards for 119 Korean-Chinese who have no relatives here, was arrested.

He raked in a total of 5.3 million won, 55,000 won from each customer.

Also, Korean ethnics from China are underpaid, compared with Koreans working in the same sector.

A man in his mid-20s who barely speaks Korean, asserted through an interpreter that they are not beggars but are just having a hard time adjusting to the capitalist system.

A group of Korean-Chinese job seekers who were listening to him called for the immediate stop of the "crackdown" on Korean-Chinese vendors. Otherwise, the number of illegally employed Korean-Chinese is sure to explode in the near future, they claimed.

Yi Pong-so, Canadian Trade Minister Hold Talks

SK0407072091 Seoul YONHAP in English 0705 GMT 4 Jul 91

[Text] Ottawa, July 3 (YONHAP)—South Korea and Canada agreed Wednesday to participate jointly in postwar construction projects in the Middle East and resources development in Siberia.

In talks between Trade and Industry Minister Yi Pong-so and Canadian External Trade Minister Michael Wilson, they also agreed to strengthen industrial ties in aviation, communications, automotive parts, prefabricated buildings and environmental equipment.

Yi told Wilson that Korea would send a scientific technology mission to Canada this month to discuss bilateral technological cooperation and gave him a list of 14 areas in which Canada is ahead of Korea such as genetic engineering, aviation and machinery.

Yi called for reduction of import tariffs on automotive parts and Canadian participation in the 1993 Taejon Expo. Canada plans to impose tariffs in 1994 on all automotive part imports, except those from the United States.

Wilson told Yi he would positively consider tariff cuts, but the matter was subject to negotiations on tariff cuts in the Uruguay Round world trade talks.

Also in the meeting were First Assistant Vice Minister Yu Tuk-hwan and six other Korean officials and Canadian Deputy International Trade Minister Donald Campbell.

No Tae-u, Brian Mulroney News Conference Noted

SK0507011391 Seoul YONHAP in English 0005 GMT 5 Jul 91

[Text] Ottawa, July 4 (YONHAP)—South Korean President No Tae-u and Canadian Prime Minister Brian Mulroney, defining North Korea's nuclear development as a threat to the world, stressed Thursday that the Communist country should open up its nuclear capability and facilities to outside on-the-spot inspection.

In a joint press conference after their summit, No said North Korea's nuclear development poses "danger" and that close inspection of its nuclear facilities should follow its signing of the International Atomic Energy Agency's [IAEA] safeguards accord.

Voicing the same concern about North Korea's nuclear arms development, Mulroney said Canada shared South Korea's position that North Korea should sign the IAEA accord and open its facilities to on-the-spot inspection.

During the 85-minute talks, the two leaders agreed to jointly support the U.S. move to scrap chemical weapons and called on North Korea to follow suit, No's spokesman Yi Su-chong said.

Touching on North Korea's sales of Scud missiles to Middle East countries, No suggested world nations make efforts for arms reduction through a registry of sellers and buyers at the United Nations and other international organizations, and Mulroney expressed support for the idea, Yi said.

No invited Mulroney to visit Korea in the near future.

Mulroney told the press conference that he welcomed South and North Korea's move to enter the United Nations, but denied allegation that the welcome would mean official recognition of North Korea.

Ottawa established diplomatic relations with Seoul in 1963 but has yet to set up such ties with Pyongyang. Ottawa has recently rejected North Korean overture to normalize ties, Canadian Ambassador to Korea Brian Schumacher said.

Affirming Canada has been backing South Korea's democracy, Mulroney said he hoped to see such a wind of democratization would spread to North Korea, a "totalitarian, oppressive and closed" society, and the Korean peninsula would be unified into one Korea after a democratic process.

No and Mulroney said they had agreed to expand trade and economic cooperation further in a mutually complementary way.

Two-way trade reached 4 billion U.S. dollars last year and Korea's investment in Canada topped 400 million dollars, Mulroney said, expressing gratitude for Korea's purchase of Candu reactors.

He also said the two countries could produce goods of high added value by using nuclear and ulra-modern telecommunications technologies.

No said he and Mulroney had discussed how to cooperate at such international forums as the G-7 summit in London July 15 and the United Nations, but hinted at a little disparity in opinion regarding the formation of an Asia-Pacific cooperative body centered on the Asia-Pacific Economic Cooperation (APEC).

"We fully discussed the subject, and I hope (the discussion) will move in a desirable direction," No said.

At the start of his North American tour, No said APEC could become the basis for achieving common regional goals.

In a state dinner honoring No, Canadian Governor-General Ramon John Hnatyshyn hailed Korea as a "microcosm" of the regional dynamism of Asia and the Pacific.

"The dynamism of Korea is a microcosm of the dynamism of the Asia Pacific region. The focus for trans-Pacific economic cooperation and dialogue is APEC...your capital will be the scene of this fall's ministerial meeting. We look forward to working with you in this important endeavour," Hnatyshyn said.

No said he was convinced the two countries will become more "trusting partners in a new Pacific era" with expanding trade, investment, tourism and personnel exchanges.

After the No-Mulroney summit, Foreign Ministers Yi Sang-ok of Korea and Barbara McDougall of Canada signed a memorandum of understanding on economic cooperation. No is to return home Sunday after a stopover in Vancouver where some 15,000 Koreans live.

Memorandum of Understanding Signed With Canada

SK0507014291 Seoul YONHAP in English 0119 GMT 5 Jul 91

[Text] Ottawa, July 5 (YONHAP)—The foreign ministers of South Korea and Canada agreed Thursday that Asian-Pacific nations should develop a framework for cooperation based on the Asia-Pacific Economic Cooperation group and that they will cooperate closely in the international community after Korea joins the United Nations in September.

Yi Sang-ok and Barbara McDougall also signed the memorandum of understanding on Korea-Canada economic cooperation initialed in Seoul in November 1990.

Yi is traveling with President No Tae-u on his state visits to Canada and the United States.

In the Gulf war, McDougall said, the United Nations restored its role as global peacekeeper. She said she hoped Seoul and Ottawa would make efforts to beef up U.N. functions using the current momentum.

Spokesman Recaps No Tae-u-Brian Mulroney Talks

SK0507010191 Seoul YONHAP in English 1813 GMT 4 Jul 91

[Text] Ottawa, July 4 (OANA-YONHAP)—South Korean President No Tae-u and Canadian Prime Minister Brian Mulroney in their summit Thursday agreed on a closer regional cooperation through Asia-Pacific Economic Cooperation (APEC) and joint business projects in third markets.

No and Mulroney shared the same opinion that Canada will seek relations improvement with North Korea in line with progress in Pyongyang's opening of its nuclear facilities to outside inspection and in inter-Korean dialogue, presidential spokesman Yi Su-chong said after the summit.

The two leaders were learned to have discussions on bringing up North Korea's nuclear issue at the G-7 [Group of Seven] meeting that opens in London July 15.

The South Korean president arrived here Wednesday for a three-day state visit after first stopping in Washington. Economic tieups and trade talks highlighted No-Mulroney summit where the two leaders emphasized complementary aspects of two countries' economies.

Mulroney, in a press conference following the summit said communism in North Korea will soon fall because its present system is totalitarian and oppressive.

Canada, he said, would welcome reunification of the Korean peninsula.

The APEC ministerial meeting scheduled in Seoul this November will be a great opportunity to upgrade cooperation in the Asia-Pacific, both leaders agreed. They promised to work together to make APEC a regional instrument for enfirming the cooperative ties, Yi said.

No, in a lecture at Stanford University in California June 29, suggested that APEC become the formal, all-embracing instrument for achieving common regional goals.

South Korea and Canada also agreed to work together regarding entry of the Mainland China, Hong Kong and Taiwan in APEC, the spokesman said.

On North Korea's nuclear development, No and Mulroney said it threatens peace not only regionally in northeast Asia but globally. They are said to exchange extensive discussions on possibility of addressing the issue at the G-7 meeting.

South Korea is urging G-7 to adopt a resolution calling for North Korea's immediate signing and faithful implementation of the nuclear safeguards accord.

Economic cooperation between Seoul and Ottawa will focus on investment expansion, natural resources development and third market entry.

No specifically requested Canada's technology transfer in aviation, communication, genetic engineering and medicine and cooperation in science technologies.

Trade ministers of the two countries in a separate meeting Wednesday agreed to participate jointly in post-war reconstruction projects in the Middle East and resources development in Siberia.

They also agreed on closer industrial ties in aviation, communications, automotive parts and environmental equipment.

A Canadian mission is due in South Korea later this month for technological cooperation with a list of 14 areas.

Following the summit, Mulroney hosted a luncheon for No.

The South Korean president is to meet with leading Canadian businessmen later in the day.

Nuclear Research Projects Agreed on With Canada

SK0507094491 Seoul YONHAP in English 0904 GMT 5 Jul 91

[Text] Seoul, July 5 (YONHAP)—South Korea and Canada agreed Friday to urge North Korea to sign the nuclear safeguards accord of the International Atomic Energy Agency and to conduct joint nuclear research projects, the Science and Technology Ministry said.

The Korea-Canada Joint Coordinating Committee on Nuclear Energy, meeting in Seoul from Wednesday to Friday, decided that the two nations will form a joint team to develop a new type of candu heavy-water reactor, which will be much safer than the existing candu at Wolsong power plant, a Ministry spokesman said.

The joint research project will begin six to nine months from now, he said.

A summary record released after the meeting says Korea and Canada will seek joint development of nuclear fuel for the new candu reactor and develop recycling technology in an effort to reduce radioactive waste, he said.

Korea will dispatch 50 experts to Canada between this year and 1994 for the joint study, the spokesman said.

Canada completed a nuclear power station in 1983 at Wolsong, 270 kilometers southeast of Seoul, and began construction of another power plant at Wolsong in 1990.

More Talks To Follow Seoul-Washington Summit

SK0807073091 Seoul YONHAP in English 0655 GMT 8 Jul 91

[Text] Seoul, July 8 (OANA-YONHAP)—South Korea and the United States will strengthen working- and high-level talks between their foreign affairs, defense and trade officials as part of follow-up measures to the Seoul-Washington summit July 2, a Korean Government official said Monday.

The chief target will be the monthly working-level trade issue meeting between the U.S. embassy and Korea's Foreign, and Trade and Industry Ministries to prevent misunderstandings, the official said.

In response to Canada's protest over illegal fishing in the northern Pacific, Seoul will seek membership in the North American Fisheries Organization (NAFO) to prevent friction and settle disputes, the official said.

The steps all came out of President No Tae-u's recent state visits to Washington and Ottawa, said the official, and were designed to further improve Asia-Pacific relations.

"We will encourage high-level contacts to firm up the bilateral negotiating structure with these countries," he said.

Foreign Minister Yi Sang-ok will meet with U.S. Secretary of State James Baker at the Association of Southeast Asian Nations (ASEAN) post-ministerial conference later this month in Malaysia, at the United Nations in New York in September and again at the Asia-Pacific Economic Cooperation (APEC) ministerial meeting in Seoul in October.

Follow-up measures will also be discussed at those meetings, he said.

Survey Views No's Visit to U.S. Favorably

SK0907090191 Seoul YONHAP in English 0818 GMT 9 Jul 91

[Text] Seoul, July 9 (YONHAP)—Most South Koreans think last week's summit talks in Washington will contribute to unification of the Korean peninsula and peace in Northeast Asia, the Information Ministry said Tuesday.

It based its view on a poll of 575 adults July 6-7 by Korea survey (gallop) polls. No margin of error was given.

Asked whether the discussion between President No Tae-u and President George Bush on the basics of unification from method to result might be a help, 72.6 percent said it would be "a great help."

In addition, 76 percent said the summit would improve the defense of South Korea and 68.1 percent said it would make the North accept international nuclear inspection.

Asked why No received a warm welcome from so many Americans and Canadians, 38.6 percent said because they were so impressed by Korea's economic growth and democratic reforms and 25 percent said because of Korea's rising international status.

A few people said they were most impressed that No received "honorable treatment" as a state guest.

Lawmakers Form Faction To Oust Kim Tae-chung

SK0407050091 Seoul THE KOREA TIMES in English 4 Jul 91 p 2

[Text] Eight New Democratic Party [NDP] lawmakers yesterday organized a pressure group within the party to force NDP president Kim Tae-chung to step aside and set the stage for the unification of the opposition camp.

Named the Political Development Research Association, the group comprises Reps. No Song-hwan, Cho Yun-hyong, Chong Tae-chol, Yi Sang-su, Pak Sil and Kim Tok-kyu, all from Seoul, and Kim Tuk-su from Chollapuk-to and Yi Hong-pae from the national constituency.

Han Yong-su and O Hong-suk, former lawmakers and now members of the NDP executive commission, also joined the group to push for an opposition merger.

Rep. Kim Chong-wan, also from Seoul, is likely to seek membership in the new organization after he returns from an overseas trip, Yi Sang-su said.

Yi told reporters that the association will open an office in central Seoul and step up efforts to drive the NDP, dominated by Kim Tae-chung's loyalists to merge with the Democratic Party [DP] in the first stage and further with all forces opposing the No Tae-u administration.

The DP has thin but broad support and their merger could stretch their power base nationwide, according to the young Seoul Assemblymen who tried in vain to merger the two parties last year.

DLP Favors Feb 1992 for General Elections

SK0407071691 Seoul YONHAP in English 0242 GMT 4 Jul 91

[Text] Seoul, July 4 (YONHAP)—The ruling Democratic Liberal Party [DLP] called Wednesday for general elections to be held in mid-February 1992 to allow time for mayoral and gubernatorial elections in the first half as agreed with the opposition last year.

DLP Secretary-General Kim Yun-hwan told reporters a February election was desirable as the last general election was in that month. The opposition criticized the 1988 poll as "a winter election" and said it resulted in a low turnout that deprived them of votes, but they still won a majority in the National Assembly.

Kim ruled out the possibility of holding the elections simultaneously without a revison of the election law.

Opposition leader Kim Tae-chung proposed to DLP Executive Chairman Kim Yong-sam on Monday that the elections be conducted simultaneously in April or May.

Secretary-General Kim said he saw no problem with holding the general elections after lunar New Year's Day, Feb. 4.

"There is concern about an overflow of money after the holiday, but the election law throttles spending after notification of the election date so it doesn't matter if the holiday comes between notification and polling day," Kim said.

Kim opposed a shift to multi-member constituencies, saying it would cost money.

To ease chronic provincialism, Kim said, the DLP was looking at the idea of distributing national constituency seats in proportion to the votes earned by a party.

The Cholla Provinces are traditional strongholds of Kim Tae-chung and DLP candidates don't even bother to run.

City, Provincial Councils Elect Leaders 8 Jul

SK0807124391 Seoul YONHAP in English 0828 GMT 8 Jul 91

[Text] Seoul, July 8 (YONHAP)—The nation's 15 city and provincial councils met on Monday morning for the first time in 30 years.

In the inaugural sessions, which opened simultaneously in the six major cities and nine provinces, they each elected a chairman and two vice chairmen to lead them for the next two years.

Town and county councils were formed in April.

The new councilors were sworn in, promising to supervise the local administration, represent the people, contribute to the development of their community and promote the rights and benefits of the residents.

The unelected governors and mayors of the 15 local governments attended opening ceremonies that began at 2 P.M.

Most of the assemblies will be in session until Wednesday to form standing committees and set the election date for education committee members.

They will also hear reports from the local governments.

In an upset, in some regions the candidates nominated by political parties were not elected.

Political parties were allowed to nominate candidates in the June 20 elections, in which the ruling Democratic Liberal Party [DLP] won a landslide victory, taking 564 of the 866 council seats. The opposition New Democratic Party led by Kim Tae-chung was successful only in the Cholla provinces and Kwangju City, Kim's home turf.

In Kyonggi Province, Chung Han-chu, a former labor minister, was nominated by the ruling party for council chairman but lost to Yu sok-po, a former mayor of Suwon, the capital of Kyonggi Province, in a run-off.

Yu, also of the ruling party, won 85 of the 111 votes and Chung took only 29 in the second round after both failed to win a majority in the first round.

In North Chungchong Province, Cho Song-hun, also nominated by the ruling party, was beaten by party colleague Han Hyon-ku.

DLP candidates lost to other DLP members in Taejon City and Kyonggi Province, dealing a shock to party leaders.

Chong Tam-chin, put up by Kim's party as chairman of Kwangju City council, lost to NDP colleague Kim Kil.

Party-Designated Leaders Spurned in Elections

SK0907034691 Seoul THE KOREA TIMES in English 9 Jul 91 p 2

[Text] Both the ruling and opposition parties saw revolts by member local councilmen in elections for their heads in the inaugural sessions of several provincial and municipal councils yesterday.

Tens of Chungchongpuk-to councilors, elected under the Democratic Liberal party's [DLP] nomination, balked at orders by the government party to elect Chong Song-hun as chairman of their provincial council. They instead elected another DLP councilor, Han Hyun-ku.

Twenty voted for Han to lead the 38-member council, while 17 voted for Chong, following party orders.

The DLP designated Kim Sok-chong as head of the Taejon council but it failed to get a majority of its member councilors to support him.

The DLP's chairman-designate, Kim Sok-chong, gained only seven votes, outnumbered by another DLP member Kim Tu-hyong supported by 15. Fourteen councilors in the fifth largest city are from the DLP, two from the New Democratic Party, one from the Democratic Party [NDP] and six are independent.

The DLP designated former labor minister Chong Han-chu as head of the Kyonggi-to council.

He failed to obtain a majority in the first ballot though the giant ruling party swept the council membership with 94 out of the total 117 seats. He got only 44 ballots, 15 shy of the minimum votes needed for election, while another contender Yu Sok-po, former mayor of Suwon, the capital of the province, took 50. He also failed in the second ballot.

In Kwangju, the stronghold of Kim Tae-chung's NDP, Chong Tam-chin, nominated by the largest opposition party, was defeated by Kim Kil in a challenge to the central party leadership.

Seoul Reportedly To Accept Nice Accord in 1992

SK0907033791 Seoul THE KOREA ECONOMIC JOURNAL in English 9 Jul 91 p 4

[Text] Korea will accede to the Nice Accord on international classification of goods and services for trademark registration in view of the increasing foreign applications for trademarks in Korea and the growing trends of international integration of trademark laws, according to the Korea Industrial Property Office (KIPO).

At present, KIPO classifies goods and services using its own classification system for trademark registration. KIPO has been working on a plan to adopt the Nice standards since 1988 and plans to describe goods and services classified by both the Nice standards and KIPO standards in its trademark bulletins on a trial basis in 1992. Beginning 1993, it will formally adopt the Nice standards and discard the KIPO standards.

Under the KIPO standards, goods are classified into some 2,800 items in 266 subcategories in 54 categories, while the Nice standards classify goods into 8,800 items in 34 categories. In services, the KIPO standards consist of 12 categories, while the Nice standards classify 7,000 items in eight categories.

Some 100 countries around the world now use the Nice standards, including the 33 countries which have acceded to the Nice Agreement on the International Classification of Goods and Services for the Purpose of the Registration of Marks. Thus, the Nice standards have virtually become the international standard for classifying goods and services for the trademark registration.

Foreign Shipping Firms To Engage in Trucking

SK0607021891 Seoul THE KOREA TIMES in English 6 Jul 91 p 8

[Text] Foreign shipping companies will be able to engage in trucking services in Korea on a restrictive basis as the government has rewritten guidelines on foreign investment, effective July 1.

U.S. shipping companies such as American President Line (APL) and Sea-Land Service have tenaciously called on Korea to open its trucking market.

This is a partial answer to U.S. companies to ease trade friction between the two countries.

An official of the Korea Maritime and Port Administration (KMPA) said yesterday that the revision of the guidelines has enabled foreign shipping companies to participate in trucking service from the port of Pusan to private container yards (CYs) and bonded warehouses around Pusan.

Foreign firms have also been allowed to participate in railroad transport for cargoes destined to or originated from Pusan through direct contract with Korean railroad authorities.

The official said it is highly probable that APL and Sea-Land Service will jump in the trucking market as they have insisted on the opening of the market since 1986.

Japanese shipping companies will also join the domestic trucking market and they will be a blow to domestic trucking companies. Now, Hanjin Transportation Co., Korea Express and other trucking firms have been suffering from high wages and chronic heavy traffic.

Domestic shipping firms, including Hyundai Merchant Marine Co., have provided trucking and railroad transport service in the United States.

This has made U.S. shipping firms force the Korean government to open the trucking market, the official said.

The U.S. Federal Maritime Commission threatened that it would impose penalties amounting to $100,000 a sailing on Korean ships calling at U.S. ports from Aug. 2 unless Korea opens its trucking and railroad market.

The issue will be high on the agenda at the Korea-U.S. maritime consultation talks scheduled for July 8-9 in Seoul between the KMPA and its counterpart U.S. Maritime Administration.

But it is highly probable the U.S. side will insist on opening the trucking and railroad transport market "completely," instead of a partial opening, the official said.

The government, however, will never allow full opening of domestic trucking and railroad transport market on grounds that domestic trucking firms have weak financial statements and the Seoul-Pusan railway line is being operated by the government, he added.

First-Quarter Foreign Debt Reportedly Increases

SK0307031591 Seoul YONHAP in English 0241 GMT 3 Jul 91

[Text] Seoul, July 3 (YONHAP)—South Korea's foreign debt grew 3.5 billion U.S. dollars in the first four months of this year, an increase of 11.0 percent, to 35.2 billion dollars, the Finance Ministry said Wednesday.

Net external debt, excluding foreign assets from total foreign liabilities, was 9.8 billion dollars at the end of April, up 104 percent from 4.8 billion dollars at the end of last year and a rise of 800 million dollars from the previous month.

As the current account deficit is growing, banks are extending their foreign borrowings, a Ministry spokesman said.

The deficit amounted to 632 million dollars in May and net foreign debt will top 10 billion dollars by the end of June because the deficit trend continued.

Korean banks borrowed 3.2 billion dollars on foreign financial markets up to the end of May.

External assets were 25.4 billion dollars as of late April, off 2.1 billion dollars or 5.6 percent from 26.9 billion dollars at the end of last year,. [punctuation as received] but it represents an increase of 600 million dollars, or 2.4 percent, from the end of March.

Foreign exchange holdings at the Bank of Korea were 13.2 billion dollars at the end of April, compared with 14.8 billion at last year-end, down 1.6 billion dollars or 10.8 percent. The figure is up 200 million dollars, or 1.5 percent, from the end of March.

First-Half Trading on Stock Exchange Declines

SK0307063691 Seoul YONHAP in English 0612 GMT 3 Jul 91

[Text] Seoul, July 3 (YONHAP)—Turnover on the Korea Stock Exchange [KSE] was down nearly 34 percent in the first half at less than 20 trillion won, KSE said Wednesday.

It said 1.37 billion shares were traded, down 9.3 percent from 1.497 billion a year earlier.

Turnover fell 33.6 percent to 19.494 trillion won from 29.365 trillion won in the same period of 1990.

Commission on trades plunged 72.7 percent to 36.99 billion won.

First-Half Average Wage Increase Rate Reported

SK0407051191 Seoul THE KOREA HERALD in English 4 Jul 91 p 3

[Text] The average wage increase rate exceeded the government-proposed single-digit rate during the first half of this year.

The Ministry of Labor said yesterday the results of wage negotiations in 6,590 companies with more than 100 employees show an average increase rate of 10.2 percent. The figure reflects a 1.6 percent hike compared with 8.6 percent last year.

The actual increase rate, however, will be nearly 20 percent once increased allowances and bonuses are included, labor experts said.

It is the first time that the government authorities have officially acknowledged the double-digit wage increase rate so far this year. The government has urged privately owned companies as well as government-invested firms to abide by the single-digit rate in order to keep the skyrocketing commodity prices at bay.

Brunei, Malaysia & Singapore

Malaysia

Commentary Hails Mahathir's Latin American Tour

BK0807133691 Kuala Lumpur Voice of Malaysia in English 0800 GMT 8 Jul 91

[Station commentary]

[Text] Malaysian Prime Minister Dr. Mahathir Mohamed has returned home after a successful three-week visit to Latin America. His discussions with government leaders and business executives in Argentina, Brazil, and Chile mark a new chapter in Malaysia's external relations. In the months to come, the impact of the prime minister's contacts will be felt in increased trade and political ties.

Among the improvement in transport links, there will be direct air services between Malaysia and Chile. There are numerous areas in which Malaysia and the Latin American nations can cooperate for mutual benefit. Practically the whole of the South American continent is concerned with the universal problem of enhancing the quality of life. In this connection, the South-South dimension is very relevant.

The Malaysian community is happy to note that the three countries visited by the Malaysian prime minister are eager to promote more meaningful ties in the economic, social, and cultural fields. This attitude is in harmony of the Malaysian policy of developing close relations with all friendly countries.

The composition of the team that accompanied the prime minister testified [to] the government's interest in strengthening the Latin American connection. The ministers in charge of transport, international trade, and primary industries went along and also the chief ministers of two states. There was also a (?mixture) of senior government officials and a cultural troupe. This enabled large audiences in the various countries to obtain a first-hand impression of Malaysian culture.

The Malaysian delegation spent 24 hours in the Republic of Fiji. This brief stopover was an equally [words indistinct]. There were discussions with Fijian leaders. Malaysia has always valued its trade and economic ties with Fiji.

A new development in this field is the approval given for Malaysian aircraft to stop and refuel in Fijian airports en route to and from Latin America. This new air link will also prove beneficial both for Fiji's external trade and for tourism. Another probable trend will be the inclusive participation of Malaysian registered ships in the maritime commerce of the South Pacific region. The Malaysian prime minister perceived that there is much potential in that part of the world.

Fiji will be the obvious centerpoint for shipping between the scattered island nations and the ASEAN region. All these developments and probable developments underscore the growing strength of the Malaysian economy.

The Malaysian community is confident that the national goal of achieving the status of an industrialized nation by the year 2020 is a realistic one. But that cannot be achieved in [words indistinct]. There must be a sustained outreach, activity, and growth in contacts with other countries of the South. The Malaysian prime minister's visit to three Latin American countries can be regarded as the most rewarding event.

Japanese Politicians Arrive in Kuala Lumpur

OW0707140391 Tokyo KYODO in English 1154 GMT 7 Jul 91

[Text] Kuala Lumpur, July 7 KYODO—Policy board chiefs from Japan's ruling Liberal Democratic Party (LDP) and largest opposition party, the Social Democratic Party (SDP), arrived in Kuala Lumpur Sunday en route to Cambodia to prepare for Tokyo's participation in U.N. peacekeeping operations.

Mutsuki Kato, chairman of the LDP's Policy Affairs Research Council, and Shigeru Ito, chairman of the SDP's Policy Board, joined their counterparts from two other opposition parties who arrived earlier.

They are Nobuaki Futami, chairman of Komeito's Policy Board, and Kansei Nakano, chairman of the Democratic Socialist Party (DSP)'s Policy Board.

The four, all Diet members, will enter Cambodia Tuesday via Bangkok and meet leaders of the Phnom Penh government.

They will return to Bangkok Wednesday for talks with leaders of three resistance groups allied against Phnom Penh. The board members will return home Friday.

Foreigners Warned Against Meddling in Affairs

BK0907082391 Kuala Lumpur BERNAMA in English 0748 GMT 9 Jul 91

[Text] Kuala Lumpur, July 9 (OANA-BERNAMA)—Deputy Prime Minister Ghafar Baba Tuesday reminded foreigners not to interfere in the affairs of the country.

He said they were always welcome to the country for friendly visits, but they would be expelled if they tried to get involved in activities to create unrest.

"The government allows foreigners to enter the country freely and even welcomes them," he told reporters after opening an international industrial design conference and exhibition here.

Ghafar said other countries would take similar action against foreigners who tried to interfere in the affairs of those countries.

He said he had not received details about the two foreign journalists who covered the antilogging protest staged by eight foreign activists in Kuala Baram in the East Malaysian state of Sarawak last Friday.

The journalists, Anna Leonard, 30, a freelance writer from the United States and Frank Mumberg, 27, a german newspaper reporter, were served with orders on Saturday to leave the country within three days.

Minister Cites Economic Benefits of EAEG

BK0907060991 Kuala Lumpur BERNAMA in English 0419 GMT 9 Jul 91

[Text] Kuala Lumpur, July 9 (OANA-BERNAMA)—The East Asia Economic Group (EAEG) could act to stabilise potentially adverse relations between Europe and the United States, Foreign Minister Abdullah Ahmad Badawi said Monday.

He said the group could also foster continuing economic dynamism among East Asian countries by promoting closer links in trade, investment, and other areas that stimulated new commercial and other opportunities.

"It will also enhance the sense of well-being and security of East Asian countries through economic growth and the advancement of cooperative politics," he said at a talk at Universiti Sains Malaysia [Science University of Malaysia] in the northern island state of Penang, organised by the Malaysian Economic Association, Penang Branch.

Abdullah said that Malaysia and other ASEAN countries were now working towards the formation of the EAEG, adding that a free and open international trading system was crucial.

"The existence of an open and outward-looking East Asian regional group will help to underpin an open global system," he said.

Abdullah said national economic development could take place only in an environment of security and domestic and regional peace.

"This way one of the primary objectives of the Malaysian foreign policy is the maintenance of a positive security and strategic environment in the Southeast Asian region," he said.

Abdullah said Malaysia needed the support of other friendly countries in its efforts to become fully developed by the year 2020.

"We need to broaden the markets for our exports. At present, three major trading partners—Singapore, Japan, and the United States—account for 55 percent of Malaysia's total exports," he said.

Abdullah said foreign training and apprenticeships would continue to be required to supplement the country's need for professionals and skilled manpower in the manufacturing sector and to sustain investment flow.

"This is necessary to continue to maintain our international competitiveness in the 1990s and beyond," he said.

Abdullah, who recently returned from a visit with the prime minister to three countries in Latin America, said the community of the South countries had assumed added importance and dimension in Malaysia's perspective to expand its reach to the outside world.

Singapore

F-16s Collide in Exercise Over South China Sea

BK0807144291 Singapore Singapore Broadcasting Corporation in English 1400 GMT 8 Jul 91

[Text] Two Republic of Singapore Air Force [RSAF] F-16 aircraft collided in a training exercise over the South China Sea this evening. A news release from the Ministry of Defense [Mindef] said the pilot of one of the aircraft ejected safely. He was picked up by a passing Australian naval vessel and [words indistinct] back to Singapore and later came back to Singapore by an RSAF Super Puma rescue helicopter. The second aircraft returned safely to Singapore.

Mindef said it happened at about 1630 and is investigating the incident.

Goh Says Government Cannot Yield to People

BK0807140391 Singapore THE STRAITS TIMES in English 8 Jul 91 p 1

[By Sumiko Tan]

[Text] Singaporeans must understand that the Government cannot yield to popular pressure if it wants to secure the country's longer-term survival and prosperity.

And if they decide to cast a vote against the Government to signal their unhappiness over particular policies, the country could be ruined, said Mr Goh Chok Tong yesterday.

Making his third community visit so far, the Prime Minister said that his next few visits would emphasise the foundations of Singapore's survival and success, and how this could be easily destroyed if Singaporeans looked out only for their immediate interests.

Speaking at a press conference to round up his visit to Bedok GRC [group representatives committee], he noted that many of the questions raised so far dealt with consequential problems of Singapore's success, such as Certificates of Entitlement and independent schools.

Singaporeans, he said, realised that their votes could be used to pressure the Government into getting what they want, regardless of whether it was good for the country.

Noting that any one policy was bound to affect and cause unhappiness among some Singaporeans, he pointed out that, collectively, there could be a lot of unhappiness against the Government, leadering to a big vote swing.

"If you keep on piling your anti-votes, a time will come when the anti-voters will be in charge of Singapore, and not those who understand how Singapore's success has come about. That is a big worry," he said. But if there really were others who could solve Singapore's problems, he would indeed be "the happiest man."

Mr Goh's desire to reach out and get Singaporeans to understand the reasons for the country's success got off to a good start yesterday as Bedok GRC residents questioned him on national issues, moving away from the more parochial focus of the first two visits.

Two dialogue sessions were held—with Bedok GRC community leaders and, in a departure from the previous visits, with young Singaporeans aged 15 to 35.

Mr Goh had said that he wanted to meet specific groups of people during some of his visits.

While Bedok GRC community leaders wanted his views on more pointed issues such as the standard of the Chinese language and how Singapore could be a strong nation, the youths questioned him on broader matters, like Malaysia's proposal for an East Asian Economic Grouping.

In fielding the questions, Mr Goh kept returning to the theme of a strong Government which had to take a long-term view of policies, regardless of populist or sectional pressures.

He took the time to explain why some policies could not be changed, like the issue of raising the standard of Chinese, a move, he said, that would alienate the English-educated Chinese. Neither, he said, could the Government overlook the interests of the middle and upper-income groups for the sake of endearing itself to the poor.

Talented Singaporeans, who were internationally mobile, were needed to pull the rest of the population up along with them, he said.

And it was because he did not want talented Singaporeans to up and leave that he gave a firm "no" to the idea of dual citizenship.

He reiterated the need for Singaporeans to ponder what it meant to call for more Government help: more taxes would have to be raised.

Would Singaporeans accept this, or throw the Government out at the next election?

Mr Goh took the opportunity to point out the need to vote in a strong and stable government when he answered a question from marketing manager Tong Kok Wing, who expressed concern about Singapore's future surival and prosperity if Thailand decided to cut a canal through the Isthmus of Kra.

Only a government which took a long-term view would be able to prepare the country for such a challenge should it arise, Mr Goh said.

But it was lawyer Mohamed Muzammil Mohamed's question during the dialogue session with community leaders that enabled Mr Goh to expand on what he considered the main factor for Singapre's success—its approach to multiracial politics.

The lawyer had asked if he thought that Singapore was a strong enough nation to weather a racial crisis.

While Mr Goh felt that Singapore still had some way to go before becoming a strong nation, he was optimistic that it could survive such a crisis—provided that the problem was nipped in the bud.

He was also confident that the Government's approach of allowing each community to be itself was the best way to govern a multi-racial country.

If the Government had tried to get, for example, the Malays to be more Singaporean, that would mean that they had to be more like the Chinese, who formed the majority of the population.

Would the Malays like this? he asked. "The basic factor that we have held dear has worked, that is, to allow each community to be itself...and to exercise a pro-active tolerance," he said.

The Prime Minister will make another visit, to Bukit Panjang, on July 21.

Goh Rules Out Dual Citizenship for Singaporeans

BK0807124091 Singapore THE STRAITS TIMES in English 8 Jul 91 p 22

[Text] The Prime Minister yesterday made it plain that a young nation like Singapore was not ready to have a system of dual citizenship. But, it was a move that might have to be made 50 years down the road.

For now, allowing Singaporeans to hold a second citizenship would make it difficult to build Singapore as a nation as more people could be tempted to just up and leave, said Mr Goh Chok Tong.

"It is an issue which we may have to address in the longer term. But, certainly for myself, I would be not at all enthusiastic about offering dual citizenship," said the Prime Minister, stating the Government's firmest stand on the issue so far.

"I believe that one has got to decide if one is to be a citizen of this country or of another country."

But, he added that he was "not categorical" on this position as circumstances might change.

Fifty years from today, for example, more able Singaporeans might be living abroad because of the kind of work they do and the stimulus they need. And, they might be forced to give up their Singapore citizenship because of the current policy of recognising only one citizenship.

"If this situation comes about, the Government at that point in time will have to address this question differently. You can insist on one citizenship, but if you are losing your best, then the pyramid begins to be lower and lower," he said.

Then that Government might have to go for the "next best policy" of dual citizenship which essentially rests on the premise that Singaporeans abroad still have their hearts at home, and can be called upon to help the country in times of crisis.

Mr Goh made these points in response to a question from Mr Harold Toh, a youth leader from Tanah Merah Community Centre, during the youth dialogue at Bedok View Secondary School.

The topic of dual citizenship has come up in recent months as a possible solution to stem the flow of qualified Singaporeans emigrating and forsaking their Singapore citizenship.

In May, Deputy Prime Minister Brigadier-General (Res) [Reservist] Lee Hsien Loong said it was under study by the Government but added that it was not an easy decision to reach.

At yesterday's dialogue, Mr Toh asked if it was possible to introduce dual citizenship for some Singaporeans who have to live abroad because of better prospects for their career. He gave the example of a scientist having to go overseas because of better research facilities.

In his reply, Mr Goh noted that it would be difficult to defend a dual citizenship polity if it was selective, and not applied across the board.

Further, if there was dual citizenship, was there any guarantee that "when the crunch comes," such Singaporeans abroad would come back to help?

"That could also be the time when many Singaporeans say, count me out, and they opt for their other citizenship," he said.

But, if dual citizenship worked in such a way that when Singapore was in trouble, those with such citizenship would return home to offer assistance, then dual citizenship was worthwhile having.

"So, whilst we are doing well, they can be all over the place, but when we are not doing well, then they will come back. If that can be achieved, I would say, then it is a good scheme to have," he said.

"But, knowing human nature, I am more fearful that when the chips are down, when you need them most, they will be looking for greener pastures elsewhere."

Cambodia

Indian Rice Given in Response to Aid Appeal

BK0807064691 Phnom Penh SPK in English 0444 GMT 8 Jul 91

[Text] Phnom Penh SPK July 8—India has provided 5,000 [metric] tons of husked rice as humanitarian aid to the government of the State of Cambodia.

The consignment was handed by Rinzing Wangdi, Indian charge d'affaires to Cambodia over to Trade Minister Nhim Vanda at a ceremony held here on July 2.

It was the second batch of rice supply by India to the State of Cambodia since 1979 after the falldown of the Khmer Rouge regime which left many Cambodians in famine. The first consignment came to Cambodia in late 1990.

The aid was given in response to the March 29 appeal by the government of the State of Cambodia to international and non-governmental organizations for 100,000 [metric] tons of rice to the needy Cambodians this year.

In May, the Indian government also provided 17 [metric] tons of medicines and medical equipment to the provicial hospital of Kandal. Besides, it presented pieces of Buddha's remains, pipal trees and a statue of Mahatma Gandhi, a peace militant of India, to the government of the State of Cambodia.

International Organizations Give Aid to Refugees

BK0907063191 Phnom Penh SPK in English 0427 GMT 9 Jul 91

[Text] Phnom Penh SPK July 9—The Cambodian Commission for War Refugees has received 45,700 US dollars as aid from three international organisations in the country.

The Joint Australian Non-governmental Organisation Office (Jangoo) donated 13,230 dollars and the Japan International Volunteer Centre 1,570 dollars. The other organisation, the World Vision International, provided refugees in the provinces of Kompong Speu and Kompong Chhnang with rice seeds and means for rice cultivation worth 30,900 dollars.

It was timely and effective assistance to the victims in this war-torn country, the commission said as it expressed thanks to those organisations, adding that the number of war refugees in Cambodia rose to 36,672 families so far. Those refugees had been dislodged from war areas in the nine provinces of Kampot, Kompong Speu, Kompong Chhnang, Pursat, Battambang, Banteay Meanchey, Siem Reap-Oddar Meanchey, Kompong Thom and Preah Vihear due to the intensified harassments by the three Khmer opposition factions' troops, and were helped to resettle in camps set up in those provinces.

The three Khmer opposition factions and the State of Cambodia reached an agreement on an unlimited ceasefire in time and scope at a meeting of the Supreme National Council of Cambodia in Pattaya, Thailand, in late June, to end the 12-year-old war in Cambodia. However, the Khmer Rouge faction, just after the meeting, violates the truce, launching large-scale infantry offensive on the government armed forces' positions along Highway 10 in Battambang Province.

The number of war refugees may increase more and more if war continues, the commission said, expressing its concern over the need for help. It said there has been continual assistance in terms of means of agricultural production, foodstuff, clothing and medicines donated by international organisations in Cambodia and the Phnom Penh Government, but the refugees are facing difficulties in their daily life.

The largest number of refugees is seen in the three provinces of Banteay Meanchey, Battambang and Kompong Speu with 9,240, 9,240 and 6,833 families respectively, according to the commission.

WFP Donates Rice to War Victims in Battambang

BK0607062391 Phnom Penh SPK in English 0453 GMT 6 Jul 91

[Text] Phnom Penh SPK July 6—The World Food Program (WFP) has donated 400 tons of husked rice to 9,200 families of war victims in the northwestern province of Battambang, 300 km from Phnom Penh.

It is the second time that the organization offered relief to war victims in Battambang since there had been an increasing number of refugees due to the intensified harassments by the enemy.

The aid was distributed through the province's Red Cross to victims provisionally settled in the districts of Battambang, Bavel, and Banan, and in [sentence as received].

Oil Exploration, Privatization Programs Reported

BK0707130291 Phnom Penh SPK in English 1121 GMT 7 Jul 91

[Text] Phnom Penh SPK July 7—Six foreign petroleum companies have bid for the right to explore oil in Cambodia, an official of the Ministry of Industry told SPK recently.

They are among the 22 companies which have contacted the ministry for oil exploration in the country. The Cambodian Ministry of Industry has invited foreign petroleum companies to bid for the right to prospect for oil on 26 of the 32 exploration blocks onshore and offshore in Cambodian territory.

It requested bidders to submit sealed quotations to the ministry before August 10 this year, and would inform the winners in the second half of September.

Each company could apply for a maximum of two blocks either onshore or offshore or both, and oil exploration contracts would be signed on a production sharing basis, the ministry noted.

Apart from inviting foreign companies to explore oil in Cambodia, the minstry expects to lease 12 more factories to private entrepreneurs both living at home or abroad. Those factories include a chinaware factory, a canvas sheet factory, a brick kiln, three textile mills, two pneumatic tyre factories, a soap factory, a sewing thread factory and a bran oil factory in Phnom Penh, and a cement factory in Kampot Province.

The ministry is also considering the leasing of other factories or workshops in the country such as a saw mill and a sugar factory in Phnom Penh and a phosphate fertilizer factory in Kampot.

UNESCO Official Received by Chea Sim

BK0607125091 Phnom Penh SPK in French 1123 GMT 6 Jul 91

[Text] Phnom Penh 6 Jul (SPK)—Chairman Chea Sim received Van Molivan, a well-known Cambodian architect and UNESCO adviser, in Phnom Penh on Friday.

Chea Sim, member of the Kampuchean People's Revolutionary Party Central Committee Political Bureau and chairman of both the National Assembly and the National Council of the Kampuchean United Front for National Construction and Defense, welcomed the architect, who left the country some 10 years ago, and thought the visit was a gesture of goodwill and patriotism.

He talked about the efforts of the party and State of Cambodia in the restoration of the nation's cultural heritage and wished for a positive participation of Cambodians abroad and UNESCO in restoring historical monuments and training Cambodian specialists for the development of tourism in Cambodia.

The architect pledged to do his utmost to restore the historical monuments and other works that have suffered through time, war, or the genocidal Pol Pot regime, and to train Cambodian engineers and architects.

Vietnamese, Lao Health Delegations Arrive

BK0607122491 Phnom Penh SPK in English 1109 GMT 6 Jul 91

[Text] Phnom Penh SPK July 6—Delegations of the Ministries of Public Health of Vietnam and Laos arrived here Thursday and Friday respectively to attend the 5th conference on health care of the three Indochinese countries to be held in Phnom Penh July 8-9.

The Vietnamese and Lao delegations, which were respectively led by Health Ministers Pham Song and Khambou Sounisai were welcomed at Pochentong airport by Health Minister Yim Chhaili.

The first conference on health care of Cambodia, Vietnam and Laos was organized in Laos in 1982, during which measures were taken to promote health care in the three countries.

At the 5th conference, Cambodia, Vietnam and Laos will examine the execution of the resolutions of the 4th conference, also convened in Laos in 1988, on health care education, mother-and-child health care, and anti-epidemic campaign.

The conference will also focuss on measures to develop district health care services for first aid and the training of medical workers at district and communal levels, and call for humanitarian aid from international organizations in this domain.

Hun Sen Chairs Council of Ministers Plenum

BK0507053691 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 5 Jul 91

[Text] On the morning of 5 July the Council of Ministers of the State of Cambodia [SOC] held a plenary session that was attended by many comrade leaders of various party and state institutions, mass organizations, ministries, departments, and units in the central and provincial and municipal sectors throughout the country. The meeting was held under the chairmanship of Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the SOC Council of Ministers.

The meeting will examine and evaluate the reports on various important work carried out in the first half of 1991 by ministries, departments, and the Council of Ministers. The participants will also discuss reports [words indistinct] second half of 1991 and a report on implementation of the financial and budgetary work in the first half of the year and targets for the second half of the year.

The participants will also discuss (?resolutions) of the Council of Ministers.

SPK Reports on State's Land Allotment Process

BK0707060491 Phnom Penh SPK in English 0421 GMT 7 Jul 91

[Text] Phnom Penh SPK July 7—Farmers throughout the country have so far applied for use of 4 million plots of arable land since the state promulgated the new policy on land ownership.

A report presented at a recapitulatory meeting of the topographic department under the Ministry of Agriculture held recently in Phnom Penh made known that the state has allotted 282 plots to farmers, complete with land ownership certificates.

The three provinces of Kompong Chhnang, Prey Veng, and Svay Rieng did their best in allotting land to farmers. According to the report, Prey Veng has received 646,233 applications for land ownership from farmers and Kompong Chhnang 695,460 applications.

The report also mentioned some difficulties in the allotment of land as some of the farmers have claimed plots formerly bequeathed them by their parents.

Recapitulative Meeting in 2d Army Region Reported

BK0707084291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 5 Jul 91

[Summary From Poor Reception] A meeting to review military and political work in the 1990-91 dry season was recently held in the 2d Military Region [Kompong Cham, Kompong Thom, Prey Veng, and Svay Rieng Provinces]. Among those presiding over the meeting were Major General Meas Saophea, deputy chief of staff of the Cambodian People's Army [CPA]; and Colonel Preap Tan, deputy chief of the CPA's General Political Department.

Colonel (Meas Saran/Savan), chief of the 2d Military Region's General Political Department, read a speech to open the meeting, highlighting the region's past achievements. Decorations were also awarded to some units and individuals.

Closing the meeting, Major General Meas Saophea praised the efforts and achievements of cadres and combatants in the region in the 1990-91 dry season and reviewed the general situation in the country. He also called on members of the meeting to prevent the enemy from plundering the people's property and oppose it's psychological warfare in remote areas.

Banditry Expected To Plague Postwar Country

BK0607161991 Hong Kong AFP in English 1451 GMT 6 Jul 91

[Text] Phnom Penh, July 6 (AFP)—Banditry is increasing in Cambodia and could become a major problem when peace settles on the country, an aid worker said here Saturday.

The source, who travels widely, speaks Khmer and has years of knowledge of the country, said it was currently difficult to differentiate between banditry and directed military action.

The cause of an increase in the number of internally displaced persons during a May ceasefire was thus difficult to pinpoint.

But he said "banditry is defintely increasing" and would become a big problem over the next year.

Alongside "general lawlessness" it would increase with a ceasefire, he said, adding that "many people have lived by the gun in the past 10 to 13 years."

Cambodia has been under an unprecedented ceasefire since May 1, though Phnom Penh and the three resistance parties have traded mutual charges of truce violations.

Despite general observance of the truce the number of internally displaced persons in Phnom Penh-held areas increased by about 4,000 to 190,000 in May, the aid source said.

He added that in some areas people had returned home, notably around the western city of Battambang, but there had been an increase in refugees from northwestern Siem Reap Province and Kompong Speu Province west of the capital.

In these latter areas there had been "virtually no change in the security situation," he said.

He added that it was difficult to tell if this was due to banditry or directed military action.

But the source said that with peace, untrained men would be demobilised and many might feel resentful to see those who had not fought but had rebuilt lives.

"It's not surprising after a long protracted period of civil war," he said. "All these soldiers ... won't make an easy transition to civilian life."

"Desperadoes will cause trouble. This requires a strong police force, but where is the authority to back up a strong police force?"

A U.N. peace plan, yet to be fully accepted by the four warring sides, envisages a large U.N. presence in Cambodia ahead of elections.

Much progress towards peace was made last month at a meeting in Phatthaya, Thailand when the rivals agreed on a permanent ceasefire, an end to overseas military supplies and setting up their joint Supreme National Council in Phnom Penh.

Phnom Penh has said it was ready to accept an important military component to a U.N. ceasefire monitoring mechanism but only after a full peace pact.

Observers reckoned the U.N. would also have problems stamping out banditry, a traditional problem in Khmer society.

Siem Reap, Kratie Welcome More Returnees

BK0807060691 Phnom Penh SPK in English 0438 GMT 8 Jul 91

[Text] Phnom Penh SPK July 8—One hundred and thirty-two men of the three Khmer opposition factions broke their ranks and surrendered to the authorities in Siem Reap-Oddar Meanchey Province, 300 km northwest of here, in June.

The returnees, including 40 Polpotists, brought along 58 firearms.

The figure brought the total number of returnees in the province in the first half of this year to 564 with 302 rifles.

In Kratie Province, 200 km northeast of here, eleven men of the Polpotist faction deserted their ranks and reported themselves to the authorities of Sambo District in the first half of this year.

The returnees brought along 11 rifles and a quantity of other war materials.

According to the Commission for Reception of Misled People, the district welcomed 29 returnees armed with 15 assorted guns in 1990. Of them three were women.

SNC Representation Sought at 'All Levels'

BK0807162791 Hong Kong AFP in English 1612 GMT 8 Jul 91

[Text] Phnom Penh, July 8 (AFP)—The Khmer Rouge have been spreading the word in Cambodian provinces that the Supreme National Council (SNC) must be represented at all levels in society, sources here charged Monday.

The Marxist resistance faction, which ruled Cambodia by terror from 1975 to early 1979 when toppled by Vietnamese troops, had been saying that the sovereignty body should be represented at all levels down to the village.

The sources, citing Cambodian contacts and first hand accounts, said Khmer Rouge cadres had been making this demand in provinces such as Battambang, Siem Reap and Beanty Meanchey in the north and west and in the eastern area of Kompong Cham.

A Cambodian source said the powerful guerrilla group had tried for some time to set up SNC representation at village level.

The Khmer Rouge has issued a statement saying that the Phnom Penh government had been abolished as a result of last month's agreement to set up SNC headquarters in Phnom Penh.

Foreign Minister Hor Namhong last week rejected this claim saying that the body, grouping Phnom Penh with the three resistance factions, would only represent Cambodia on the international front. He also accused the Khmer Rouge of violations of a permanent ceasefire—subsequently firmly denied by the group.

The four warring sides agreed at an SNC meeting in Phatthaya, Thailand last month to the ceasefire, an end to overseas military aid and setting up the SNC headquarters here.

The SNC, under a U.N.-brokered plan, would represent Cambodian sovereignty ahead of general elections run by the world body.

Phnom Penh has said the SNC would not have power to govern areas under the control of the government here.

DK Stance on UN Force's Role, Presence

BK0607103391 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 5 Jul 91

[Unattributed commentary: "The Cambodian people welcome and assist the outcome of the Supreme National Council meeting chaired by Samdech Norodom Sihanouk in Phatthaya, Thailand"]

[Text] The recent Supreme National Council [SNC] meeting achieved a number of important results. In particular, the SNC unanimously granted Samdech Norodom Sihanouk the role of convenor and chairman of future SNC meetings. Other key results the SNC agreed upon are the cease-fire and an end to military aid under UN supervision, the concrete implementation of which the SNC will discuss at a forthcoming session.

These results have a profound significance for both the Cambodian nation and people, and for peace and stability in the region.

1. The SNC, with the samdech as chairman, has become functional and will carry out its role as the state's supreme organization representing Cambodia as a whole and Cambodia's sovereignty internally and externally at the United Nations and other international organizations.

2. The SNC with the samdech as chairman is conciliatory in character and will work to achieve national reconciliation through stages for the present and the future. We have overcome the first step. We should cooperate in further solving the issue and continue to cooperate and promote the SNC under Samdech Norodom Sihanouk's chairmanship to get foreign aggressors out of Cambodia so that Cambodians can decide their destiny by themselves, as an independent, peaceful, neutral, and nonaligned country.

3. As for the cease-fire and the end of military aid, the four Cambodian parties have agreed that these should be controlled by the United Nations. The SNC will discuss how this should be done at a forthcoming meeting.

The Party of Democratic Kampuchea [PDK] thinks the control process should be gradually carried out to reduce the scale of fighting and increase mutual confidence. At first, we think the UN control force could be 700-strong. This can later be increased by hundreds or thousands until it is sufficient.

The same goes for the control of the supply of foreign aid. At first, there should a reasonable and appropriate number of men to reduce the supply gradually. Vietnam shares an over 1,000-km long border with Cambodia. It can send forces and weapons to Cambodia overland, along waterways, and by air. Vietnam cannot be prevented from sending forces and weapons to Cambodia if there is no control. Peace, security, and stability in the region also cannot be ensured.

The PDK, like the entire Cambodian national resistance forces, request a sufficient and reasonable number of UN peacekeeping forces to be stationed in Cambodia, to enforce control and ensure that the elections be properly and justly held. This force should remain stationed in Cambodia after the elections to promote Cambodian national reconciliation and ensure its independence, peace, neutrality, sovereignty, territorial integrity, and nonaligned status.

VODK Appeals to People To Join SNC

BK0607105391 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 5 Jul 91

["Report from Phnom Penh: The Phnom Penh regime is disintegrating in the face of the influence of the Supreme National Council chaired by Samdech Norodom Sihanouk"]

[Text] According to secret resistance sources and our people in Phnom Penh, following the joint communique of the Supreme National Council [SNC] in Phatthaya, granting the role of SNC chairmanship to Samdech Norodom Sihanouk and with the SNC due to have its headquarters in Phnom Penh, residents there, including the administrative staff of the Phnom Penh side, are rushing to buy things and stock up as they realize the Phnom Penh regime set up by Vietnam will be dissolved. This is because the SNC, under Samdech Norodom Sihanouk's leadership, is Cambodia's legitimate representative recognized by the United Nations and the international community, and will have its office in Phnom Penh. Therefore, whatever belongs to this Vietnamese Phnom Penh regime, including the Riel currency of the Phnom Penh regime, would be considered null and void.

The reports also say that the confusion and the rush to buy things and stock up continues. Those with little money stock up on paddy, rice, and various foofdstuff. Those with a lot of money buy gold, diamonds, and other valuable things by offering the highest prices. This has reduced the value of the Phnom Penh regime's riel currency by 50-60 times in only a few days. The prices of various goods have also gone up 50-60 times.

This is the disintegration of the Phnom Penh regime propped up in Cambodia by Vietnam in the face of the SNC's influence under Samdech Norodom Sihanouk's leadership.

Cambodian soldiers and state authority officials everywhere: Please realize the disintegration of the Vietnamese aggressors' regime in Cambodia and distance yourselves immediately from the Vietnamese aggressors and the Phnom Penh side. There is no future in staying with them. Only by returning home to village national councils under the SNC administration, with Samdech Norodom Sihanouk as chairman, will there be a future for you and will you be able to earn a living and feed your wives, children, and parents.

VODK Commentary on Role of UN Force

BK0707030491 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 6 Jul 91

[Station commentary: "Only supervision and control by a UN force in Cambodia can prevent truce violations and cessation of arms supplies to all Cambodian parties"]

[Text] His Excellency Khieu Samphan, head of the Party of Democratic Kampuchea, and His Excellency Son Sann, president of the Khmer People's National Liberation Front, on 3 July called on the United Nations to monitor the cease-fire in Cambodia, stressing that the UN presence in the country was of vital importance.

People already know that the tripartite national resistance forces have time and again called for the dispatch of a UN force, with sufficient manpower and facilities, to broadly supervise and control everything in Cambodia—including the withdrawal of Vietnamese aggressor forces from the country and the cease-fire, cessation of arms supplies to all Cambodian parties, and free and general elections there.

However, Vietnam and the Phnom Penh party have maneuvered to oppose the dispatch of the UN force to Cambodia. Along with this, the Phnom Penh party has repeatedly blatanty accused this or that party of breaking the cease-fire. People can raise this question: Why does the Phnom Penh party not allow a UN force to effect supervision and control in Cambodia if it is really afraid of the truce violation? On this issue, those who have impartial judgment and have diligently followed the situation in Cambodia are able to answer easily. Also the real situation in the country itself has clearly demonstrated that Vietnam and the Phnom Penh party have refused to allow the UN force to carry out its supervisory and control task in Cambodia for the following two reasons:

1. Vietnam and the Phnom Penh party are afraid that the cover of the more than 100,000 hidden Vietnamese aggressor forces—including the troops disguised as Phnom Penh soldiers and disguised civilians incorporated into the Phnom Penh regime—and over one million Vietnamese immigrants in Cambodia will be blown. At present, those

forces continue to administer the Phnom Penh regime's affairs and rule over Cambodia.

2. Vietnam and the Phnom Penh party are afraid that the reality of the violation by themselves of the truce and cessation of arms supplies will be discovered. In the period between the launching of the temporary cease-fire appeal on 1 May by the UN secretary general and the cochairmen of the Paris International Conference on Cambodia, and the day when the agreement on the cease-fire was reached at the SNC meeting in Phatthaya, Vietnam and the Phnom Penh party have never respected the cease-fire. They have instead taken the opportunity of the cease-fire to build up and marshal their forces to mount offensives one after the other on regions liberated by the Cambodian national resistance forces. Moreover, the Vietnamese continue to ship fresh troops, armaments, and ammunition from Vietnam to Cambodia without letup.

Because of the above two fundamental reasons, Vietnam and the Phnom Penh party have rejected UN supervision and control and continue to shout that the cease-fire has been violated in this or that regard in the manner of a thief crying "Stop thief!" Nonetheless, Vietnam and the Phnom Penh party can never conceal the truth. Those with impartial judgment have seen through this.

By all accounts, now there is only one effective measure—a UN force with effective manpower and facilities should be dispatched to implement overall supervision and control in Cambodia, preventing any party from breaking the cease-fire and receiving arms supplies, monitoring the withdrawal of Vietnamese aggressor forces from Cambodia, and supervising elections.

Only by doing so can all the problems be resolved, thereby ensuring restoration of peace, security, stability, independence, neutrality, and territorial integrity to Cambodia.

Phnom Penh Urged To Stop Serving SRV Interest

BK0607095591 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 5 Jul 91

[Station editorial: "The Cambodian People Hope That the Supreme National Council Headed by Samdech Norodom Sihanouk Would Be a True National Reconciliation To Jointly Put an Early End to the Vietnamese War of Aggression in Cambodia Via a Comprehensive Political Solution"]

[Text] Since the joint communique of the Supreme National Council [SNC] was issued in Phatthaya, Thailand on 26 June, Cambodians from all walks of life have acclaimed and welcomed the joint communique, especially the 12-member SNC offer of SNC chairmanship and convenor of future SNC meetings to Samdech Norodom Sihanouk.

Our people believe that henceforth the SNC will be able to function and hope Samdech Norodom Sihanouk's leadership would enhance an early comprehensive political settlement of the Cambodian problem in agreement with the framework document of the five permanent members of the UN Security Council [UNSC]. Our people also hail and welcome the cease-fire and the nonacceptance of all military aid that the SNC members have agreed upon in Phatthaya. However the truce and cessation of arms supplies should be effectively supervised and controlled by a UN force, which should have sufficient manpower and facilities to undertake this task. Only then can the cease-fire and nonacceptance of military aid be strictly effected, thereby motivating a comprehensive political settlement of the Cambodian problem and restoring peace, independence, territorial integrity, and the rights to self- determination to Cambodia.

Our people hope the Phnom Penh side would stop following Vietnam and serving their interests and would join the other three Cambodian parties in accepting the UN supervisory and control force. The Cambodian people, who have suffered and have been painfully separated due to the Vietnamese war of aggression for nearly 13 years, earnestly desire an early settlement of the problem and a true national reconciliation so that they will be able to reunite and live peacefully and harmoniously. By all accounts, Cambodians hope that the SNC headed by Samdech Norodom Sihanouk would be a true national reconciliation to settling the Cambodian problem at the earliest, and enable Cambodia to steer clear of the Vietnamese aggressors and occupiers and regain peace, security, stability, independence, sovereignty, territorial integrity, and rights to self-determination.

This is the most ardent aspiration of the Cambodian nation and people.

Peaceful Settlement of Truce Violations Urged

BK0807160391 (Clandestine) Voice of the Khmer in Cambodian 1100 GMT 8 Jul 91

[Political commentary: "To End Truce Violation in Cambodia"]

[Text] June 24, 1991 was a historic day for the Cambodian people. It was on that day that the four Cambodian parties represented in the Cambodian Supreme National Council [SNC] reached unanimous agreement on an unlimited cease-fire and nonacceptance of foreign military aid. Unfortunately, before the signatures penned by the 12 SNC members had dried, accusations over truce violations had been made one after the other, particularly by the two communist parties, namely the Khmer Rouge party headed by Khieu Samphan and the other Khmer Rouge group led by Hun Sen.

Why do cease-fire violations continue to occur? What should be done in order to implement the cease-fire agreement?

It is worth noting that the truce in Cambodia is a voluntary cease-fire without international supervision and control in accordance with the UN peace plan hammered out by the Big Five permanent members of the UN Security Council [UNSC]. The reason is that no unanimity has been reached on the 26 November 1990 draft agreement due to the Hun Sen side demanding the amendment of some points, especially those concerning the role of a UN transitional authority in Cambodia and the disarming of the Cambodian parties. Although Hun Sen's party has agreed to the framework plan worked out by the United Nations on 28 August 1990, implementation of the plan remains inoperative in Cambodia. Nonetheless, the talks in Beijing, China next week and the inter-Cambodian conclave in Bangkok next month—regardless of their appellation of informal or formal meetings—remain vitally important to resolving the issue of implementing the UN peace plan, including the cease-fire.

Hun Sen's party has requested the creation of a military committee of the Cambodian SNC, but this has not yet been effected as Khieu Samphan's party has asked for crucial UN actions on this issue. On this point, we do not intend to blame any party for blocking the cease-fire verification. Nevertheless, in settlement of the remaining issues it is important for us to implement the UN peace plan that all the Cambodian parties have already approved.

Building the mutual confidence of the four Cambodian parties is an important task that we should first fulfill before reaching a final agreement. Exchanging of accusations and intimidation with force of arms is outdated for all of us, the Cambodians, even if we have very different political persuasions. By all appearances, the Cambodian people's interest is bigger than that of each party or group. Now the only thing that remains to be done is that the Hun Sen party should fully accept the UN draft agreement. It should, no matter what, speedily accommodate itself to achieving a final agreement. If accusations over truce violations are still necessary, each party is duty-bound to find out whether its troops have encroached upon the cease-fire. Along with this, we should facilitate establishment of an effective control mechanism as well.

For the time being, we should try to safeguard the achievements scored in Phatthaya City and further stimulate the interest of Cambodia and the Cambodian people. The prevention of cease-fire violations does not require intimidation with the use of military force, but peaceful means with further discussions. The utilization of large-scale military force to punish insignificant truce violations without knowing exactly the source of the encroachments is undeniably tantamount to destroying the peace process in progress.

Indonesia

Suharto Leaves for Home From Germany 8 Jul

BK0807132291 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 8 Jul 91

[Text] President Suharto, Mrs. Suharto, and the entourage returned home this afternoon following a state visit that lasted several days in the FRG.

Here is an on-the-spot report by RRI [Radio Republik Indonesia] Correspondent Kabul Budiono on President Suharto's arrival at Jakarta's Halim Perdanakusuma Airport.

[Begin recording] Dear listeners! President Suharto and his entourage are to return home on Monday 8 July after paying a 5-day working visit to the FRG. The president and his entourage left Frankfurt-Mainz Airport in the FRG at about 1630 local time or 2130 West Indonesian Time [1430 GMT, 7 July]. The plane carrying the president and his entourage stopped over at Abu Dhabi Airport for refueling.

Dear listeners! The DC-9 Garuda airliner carrying President and Mrs. Suharto as well as a number of ministers of the Fifth Development Cabinet is about to land at Jakarta's Halim Perdanakusuma Airport. It is bright this afternoon. The temperature is about 30 degrees centigrade. Meanwhile, Vice President and Mrs. Sudharmono; Sudomo, coordinating minister for politics and security; Defense and Security Minister L.B. Murdani; and Armed Forces Commander General Try Sutrisno are among those present at the VIP Lounge of Halim Perdanakusuma Airport to welcome the president.

Dear listeners! The DC-9 Garuda airliner carrying the president and his entourage landed safely at Jakarta's Halim Perdanakusuma Airport at 1349 West Indonesian Time [0649 GMT]. President Suharto can be seen smiling as soon as the plane's door is opened. President Suharto is slowly getting down the red carpet-covered ladder of the DC-9 airliner. He is being followed by Mrs. Suharto and ministers of the Fifth Development Cabinet, including Minister and State Secretary Murdiono and Foreign Minister Ali Alatas. On the tarmac about 20 meters from the VIP lounge, Vice President and Mrs. Sudharmono are warmly shaking hands with President Suharto and senior officials accompanying the president during the working visit to the FRG. The president will directly proceed to his residence on Cendana Street.

This is Kabul Budiono reporting from Jakarta's Halim Perdanakusuma Airport. Good afternoon! [end recording]

Suharto, German Leaders on Economics, Territory

BK0507114291 Jakarta ANTARA in English 0958 GMT 5 Jul 91

[Text] Bonn, July 5 (OANA/ANTARA)—Indonesia hopes for increased German investment although Bonn is still concentrating its attention for the reconstruction and rehabilitation of former east German territory, Foreign Minister Ali Alatas has said.

"The German investment is large enough in value, but its new investment in Indonesia seems to decline," Minister Alatas told newsmen Thursday when disclosing results of the meetings between President Suharto and German President Richard von Weizsaecker and Chancellor Helmut Kohl.

The total foreign investment value in Indonesia last year was recorded at about 8.0 billion U.S. dollars, and Germany was ranked sixth after the United States, Japan, Hong Kong, South Korea, and the Netherlands.

During President Suharto's meetings with President von Weizsaecker and Chancellor Kohl, both the two German leaders gave an assurance that Bonn would stick to its cooperation commitment, including its investment activities, to Indonesia.

Concerning foreign aid, Minister Alatas said that the position of the creditor could not be considered as weak since the Indonesian Government had set certain requirements for such an aid.

According to the minister, the foreign loans were used to accelerate various development projects in Indonesia.

He said that Indonesia had always paid its debts regularly since 1967 proving that the loans were maximally used to finance development projects for the sake of the people's interests.

During the meetings, the Indonesian and German leaders also discussed possible Indonesian participation in the rehabilitation programs in Eastern Germany.

The Indonesian and German leaders during their discussions also took up the current developments in Yugoslavia, Alatas said.

During the meetings, President Suharto said that Indonesia is still consistent with its support to the sovereignty and unity of Yugoslavia.

Minister Alatas admitted that the problem in Yugoslavia was very complex since it was concerning ideological, constitutional, and political issues. "However, we hope that the Yugoslav people would be able to settle the problems in a best way," he added.

Concerning the human rights issue which was touched by President von Weizsaecker during a state banquet in honour of President Suharto on Wednesday evening, Minister Alatas said that Indonesia highly appreciated the human rights although its implementation is slightly differ with that of the West.

On that occasion, President Suharto said in his return speech that the human rights issue could not be interpreted in a narrow outlook due to different historical, political, cultural, and economic backgrounds.

Issues relating to environmental reservation, including protection of tropical forests, were also taken up during the discussions between President Suharto and the German leaders.

Military Commander Vows To Track Down Rebels

BK0707134091 Jakarta ANTARA in Indonesian 1003 GMT 7 Jul 91

[Excerpt] Banda Aceh, 7 Jul (ANTARA)—Speaking in Banda Aceh on Saturday, Major General R. Pramono, commander of the Bukit Barisan First Regional Military Command, made it clear that ABRI [Indonesian Armed Forces], with the assistance of the people, will continue to track down remnants of GPK [Security Disturbance Group] and that the security issue in the province will have been solved before year-end.

"This is a target. I want to solve the problem before the end of 1991. These rebels are getting more and more cornered and their number is very small," said the regional military commander when he met reporters after launching the 37th civic mission program by the armed forces at the Deulingke Square in Banda Aceh.

Maj. Gen. Pramono noted that nobody should have any doubt about security situation in Aceh. People have returned to their daily activities because the GPK has no place in people's hearts.

"I highly appreciate Aceh people's participation in helping to make the situation return to normalcy. People seem to have realized that Hasan Tiro [GPK leader] and his friends are big liars," said the two-star general, who added that a total of 167 GPK members or sympathizers have surrendered to the authorities.

"We are still rehabilating these people. Those who are not heavily involved in the movement will be released. I am still looking for a suitable time to release them," said the regional military commander. [passage omitted]

Minister Against Pre-Election Political Petition

BK0907055891 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 9 Jul 91

[Text] Home Affairs Minister Rudini says that there should not be petitions expressing unanimous support for a person as a national leader for the sake of the people's political education. According to the minister, such petitions as a manifestation of the will of a group of people championing a person as a leader are not conducive to enhancing the people's political maturity. However, Rudini said his views did not mean that the government would prohibit such petitions.

The home affairs minister added that such petitions would have no impact on democracy vis-a-vis general elections. This means that voting will proceed as usual because the people will elect only their representatives to the legislature, while the general session of the People's Consultative Assembly will decide to elect or not to elect the person named in the petitions.

Replying to questions by newsmen in Yogyakarta, the home affairs minister also said the university campus is a place for students to obtain knowledege and not a place for political activities. If students want to be involved in political activities, they should do so outside the campus.

Philippines

Senate Committee Discusses U.S. Nuclear Weapons

HK0407121491 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 4 Jul 91

[Text] The U.S. Government must declare whether it stores nuclear weapons in the Philippines. This was stated by the Nuclear-Free Philippines Coalition headed by Professor Roland Simbulan. He said a possible nuclear weapon accident in the country in relation to the continuous eruption of Mt. Pinatubo would be a major calamity. He added that the U.S. refusal to admit it has nuclear weapons in the country is bad for its credibility. The

American Government's continuous denial only strenghtens the suspicions on the part of the Philippines.

Meanwhile, Senator Leticia Ramos-Shahani reiterated her opposition to the storage of nuclear weapon in the country. Shahani said this after a hearing by the Senate Foreign Relations Committee which she heads, on the possibility of a nuclear accident in the country. All those present at the hearing agreed that the U.S. must change its policy of neither confirming nor denying the storage of nuclear weapons in its military bases in the Philippines. Senator Shahani said the Philippines must demand that the U.S. respect the Constitution's nuclear-free provision.

U.S. Ambassador Platt's Parting Words Hailed

HK0807084391 Manila PHILIPPINE DAILY INQUIRER in English 6 Jul 91 p 4

[Editorial: "A friend speaks"]

[Text] U.S. Ambassador Nicholas Platt, who will soon be replaced by Ambassador Frank Wisner, leaves the country with a fine record of diplomacy. While protecting his country's interest, he also promoted better relations between his country and ours, and worked in many areas where he felt he could be of great help to us.

During his tour of duty, he got his share of criticism from government officials and journalists. For instance, he was accused of breakng protocol, of meddling in the country's internal affairs, of being a spy for the Central Intelligence Agency. All these charges he denied, saying that "my record as a diplomat is an open book."

But whatever we may feel about Platt as the ambassador of the most powerful country in the world, it would do us a lot of good to ponder his parting words of advice as published in a recent interview.

—Platt said that the key in making the Philippines a strong and effective partner of the U.S. in this part of the world is "economic reforms that give the private sector a chance to really work and compete in this country. The key will also be in economic reforms that will permit freer, stronger private investments from abroad in this country and which will, like the other countries of the region, create jobs and create growth."

Platt himself said that we have made a good start by passing a new foreign investment law. Now what we have to do is wage an aggressive campaign to attract foreign investors to come to our shores. But this is easier said than done.

We have, of course, restored political stability. The threat from the ultra-rightist soldiers who drove away foreign investors by staging seven coup attempts and mutinies in the past five years has diminished.

The news on the counter-insurgency front is also encouraging; only the other day, government troops overran the general headquarters of the communist New People's Army in Mountain Province—the CPP's [Communist Party of the Philippines] counterpart of the Armed Forces' Camp Aguinaldo.

—Platt said that "the U.S. wants to see the Philippines become a strong economy and a strong country." He added, "There is a feeling that I have run up against here in this country that somehow the United States is trying to keep the Philippines weak. That is not our policy and has never been our policy vis-a-vis any of our alliance partners."

This is a reassuring statement, and we hope the U.S. will back this up with deeds. One way to do this is to let the Philippines decide how it is going to develop economically, to free it from the controls and impositions of the U.S.-dominated World Bank and International Monetary Fund. Another is to gradually reduce the dependence of the Philippines on the United States for its external security. If the Philippines is to be truly free and to be truly strong as a country, it has to learn to stand on its own feet and not be propped up forever by Mother America.

—Platt said that the wide gap between the rich and the poor in the Philippines "is an evidence of economic policies that are distorted." He said that "the collection of taxes, comparatively speaking to other countries, is low ... if the government was able to collect from the persons who have the resources a fair share of taxes ... the budget deficit problem would be much eased and the Philippine government wouldn't have to borrow at such high interest rates ..."

Our regressive tax system is just one instance of our distorted economic policies. Indirect taxes are regressive because they are imposed equally on everyone regardless of his income. Thus, because most of the taxes collected by the government are indirect taxes, the poor pay a greater percentage of their income for taxes than the rich.

Our rate of tax payment is very low—only about 10 percent of the country's workers file income tax returns and only 4 percent of them pay taxes.

Yearly, the government loses billions of [Philippine] pesos in tax revenue due to non-compliance, illegal deductions, misdeclaration, smuggling and other forms of tax evasion.

In the U.S. prominent people and criminals alike have been sent to jail for tax evasion. Here, we have yet to hear of a big fish being jailed for tax evasion. Clearly, as Platt suggests, there is need to reform our economic policies, and one of the first places to start would be our tax system.

Platt was ambassador to our country during a troubled period in our history, when we were making the transition to democracy after 14 years of dictatorship, and during a time when the country was hit by a series of disasters, both natural and manmade. We thank him for helping our country during this troubled transition, and for fostering better relations between our countries. We wish him luck in his new assignment. Godspeed, Mr. Ambassador!

Bases Phaseout, New U.S. Relationship Urged

HK0807151091 Manila THE MANILA CHRONICLE in English 6 Jul 91 pp 1, 7

[By Editor in Chief Amando Doronila]

[Text] Whether the Filipinos like it or not, they will be forced before the end of the year to redefine Philippine relationship with the United States. They can no longer postpone a decision over the future of the U.S. military bases, and there is no better opportunity to also change our concepts of nationalism than the one offered by the new bases treaty. The bases, more than the economic issues, have circumscribed the relationship and have narrowly defined the parameters of our nationalism and sovereignty. The time for breaking out of these constraints and setting national visions towards the emerging larger world of economic interdependence in the dynamic Pacific Rim is at hand. The kind of treaty we will sign with the U.S. on the bases will determine whether we can get out of the shadow of the most dominant feature of our national life for the past 93 years.

The formal grant of independence to the Philippines on July 4, 1946, is a historical absurdity. The U.S. proclaimed its independence from Britain on July 4, 1776. In their blind zeal to duplicate their political experience on their first colony in Asia, the Americans chose the same date, but this was a big joke.

They won independence by blood (by revolution) and we regained independence through parliamentary politics after U.S. naval intervention in Manila Bay on May 1, 1898, stole the freedom we won from Spain in the revolution.

The naval intervention of Admiral George Dewey aborted a revolution. Since the Battle of Manila Bay, we have been struggling to be independent from the U.S. in substance, rather than in form, and after nearly a century we have not won the struggle. At the heart of this conflict has always been the bases. No nation in Asia has had a longer running fight to break out of the mold of a bilateral relationship and of dependence on another nation than the Philippines. So, if the issue of the bases were terminated this year, we could at least tell ourselves that at last, before the beginning of the next century, we are starting with a clean slate without colonial hangups haunting us.

As Joker Arroyo has pointed out, the bases have done more to serve U.S. strategic regional interests than to protect us, let alone make us independent. The bases have served as the springboard of U.S. intervention in our domestic affairs more than they have defended our national territory. They were useless when the Japanese forces invaded the Philippines; our security relationship with the U.S. was of no use in supporting our claim on Sabah; and the U.S. facilities based on Clark and Subic are absolutely useless in defending our territorial waters from encroachment of Taiwanese fishermen, nor can they be expected to support us in conflicts over territorial disputes in the Spratlys.

Indeed, Admiral Dewey's intervention was the beginning of a chain of political interventions in our internal affairs, the last of which was the flight of Phantom jets based on Clark to scare the military rebels during the December 1989 coup attempt.

The flight was a signal from Washington that the rebels were not fighting the government of President Aquino but the U.S. In nearly every election in this country since 1901, the U.S. never disguised its preference for candidates it could work with. In 1992, there is no reason it will not indicate its preference. But if we decide that the bases would have to go before the end of the century, then a new set [as published] of relationship with the U.S. can evolve in which nationalism, or better yet patriotism, can be defined not in terms of our relationship with the U.S. but in a wider, less parochial, spectrum of our relationship with other countries.

The bases are the nest egg of our dependence on the U.S. not only for security reasons but also for economic benefits. They are being used by us to squeeze economic concessions from the U.S. and so, in the negotiations about their future, we are talking past each other. We do not agree that the bases serve our national security and they believe that the bases are crucial to maintaining the political equilibrium in the region. We believe that, because the bases are an imposition which is hard to get rid of, we might as well milk them for economic advantages. That's why the Americans think we are interested in real estate and rent, not in security arrangements at all.

It seems to me that, to establish a relationship that can foster real sovereignty and dignity with the U.S. two fundamental issues have to be resolved by the next treaty.

The first is the period of phasing out. A phaseout that will not go beyond the year 2000 or even earlier could help remove our dependence on the bases as an asset producing economic benefits.

The second is the new term of relationship we will have with the U.S following the withdrawal of the bases. Since 1900, our view of the world has been riveted on our economic and security links with the U.S. Although our economic relationship has become more diversified, our foreign and security policies have remained tied to narrow bilateralism—as if we had no conflict of interests with say, Japan, Malaysia, Taiwan, China, Vietnam, or with the North American free trade bloc or the European Community's "Fortress Europe." The obsession over the U.S. relationship has blocked our view of the relationships we ought to develop with the rest of the world. It has engendered one of the most insular foreign policies one can find in the world today, not excluding those of many of the African states.

Our nationalism has been exclusively defined by whose side we are on in the relationship with the U.S., especially on the bases issue. This kind of nationalism is obsolescent and cripples our growth and resilience to embrace new realities and changes in international affairs. At its worst, Filipino nationalism condemns those that would not accept an immediate dismantling of the bases—even though in private nationalists accept you cannot do this in one day.

This is a concept of nationalism that has ceased to grow and has encased itself in an undergrowth of autarky. It has remained imprisoned in the realities of the 1950s and 1960s and has isolated itself with its own now empty rhetorical slogans.

The removal of the bases will necessarily liberate our minds from equating nationalism with our relationship with the U.S. With no bases to protect, the U.S. will be deprived of a reason to intervene in our internal politics. In Central America, the U.S. did intervene politically on behalf usually of rightwing groups fighting the communists in the Fifties and the Sixties, even if it did not have bases in those countries. But the reason for the intervention is that these countries are neighbors of the U.S. and it violates American policy doctrine to have regimes antagonistic to it in America's backyard.

With the removal of the bases, there will be a new set of factors that will determine our relationship with the U.S. This will necessarily free us from the bilateral boundaries of determining our national interests. With less economic and security dependence on the U.S., we can assess our own national interests with dignity and with relative autonomy.

European nations which base U.S. forces consistent with their responsibilities with NATO do not complain about any loss of sovereignty. The existence of the bases is not a symbol of political subordination. They do not serve as platforms of internal intervention. The Germans, the British, the Italians and the Spaniards do not make much of an issue of the presence of the bases on their territories, and they deal with the U.S. with a true sense of equality and autonomy. It may be argued that, because the bases are sited there within the framework of NATO, there is a compatibility of interests in security terms. But even so, the real issues that arouse European nationalism against the U.S. or Japan today concern trade rivalry and protectionism. There is a lot of Japanese bashing in France for the aggressive Japanese penetration of the European market, and the French see the Japanese as ants determined to conquer the world with their economic power.

The better world in the face of today's realities is patriotism. It is less archaic and is flexible enough to address issues arising from conflict of interests, both political and economic. Patriotism is a nation's assessment of defending its interests against the competing claims of interests of other nations.

In a world where nations are forming regional trading blocs, they are surrendering part of their political sovereignty and decision-making to larger supra-national institutions.

Narrow nation-state nationalism is making way for economic interdependence.

In the Philippine context, nationalism has been narrowly considered as anti-Americanism. If before the end of this year, we can arrive at a treaty of settlement over the bases that would see the end of the bases before the year 2000, then we can also bid farewell to anti-Americanism as the foundation of our nationalism. When this happens, then we can inaugurate a new era of relative autonomy and maturity in our international outlook.

Talks Resume With Taiwan on Fishing Rights

HK0407061791 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 4 Jul 91

[Text] The second phase of negotiations between the Philippines and Taiwan will begin today to tackle the issue of the two countries' territorial fishing rights. Assistant Executive Secretary Roberto Rafael Lucila will head the six-man Philippine delegation at the meeting to be held in Taipei. (Chiu Mao-yin), head of the Taiwanese delegation, says he hopes the two countries will reach an agreement during the talks. The initial meeting was held in Manila in May.

Cooperation Agreement Signed

HK0807152891 Quezon City MALAYA in English 8 Jul 91 pp 1, 6

[By Vincent Atos]

[Text] The Philippines and Taiwan signed a fishing cooperation agreement before dawn Sunday allowing Taiwanese fishermen to pass through Philippine territorial waters on their way to fishing grounds in the South Pacific.

The agreement is the first between the two countries since 1975 when the Philippines established diplomatic relations with Beijing, which considers Taiwan a province.

The Philippines will assign two sea lanes for Taiwanese fishing boats in an area claimed by Taiwan as part of its 200-mile economic zone to proceed to fishing grounds in the South Pacific and return to home port.

In return, Taiwan will send agricultural experts to the Philippines to help rehabilitate farmlands devastated by the recent Mt. Pinatubo eruption, donate five fishing boats, and expand and modernize port facilities in Aparri, Cagayan.

This was announced by a nine-man mission called the South China Sea Fishing Dispute Committee upon arrival yesterday afternoon from Taipei.

The agreement was signed at 4 a.m. in a Taipei downtown hotel by Tjiu Mau-ying, vice chairman of Taiwan's Council of Agriculture, and Assistant Executive Secretary Roberto Rafael Lucila, who headed the mission.

The mission was sent to Taipei last week to thresh out with Taiwanese officials a brewing dispute over the alleged poaching by Taiwanese fishermen on Philippine territorial waters and traditional fishing grounds.

Last May Taiwan protested the apprehension by the Philippine Coast Guard of three Taiwanese fishing vessels and nine crewmen poaching in April off the coast of Batanes in Northern Luzon.

The Philippines has also adopted a 200-mile exclusive economic zone based on the Third United Nations Convention on the Law of the Seas in 1979.

It has maintained, however, that the arrests were made inside the disputed economic zones but clearly inside territorial waters.

PRC Opposes Fishing Accord

HK0907054091 Manila PHILIPPINES NEWSDAY in English 9 Jul 91 pp 1, 2

[By reporter Arthur I. Bariudad]

[Text] The People's Republic of China (PROC) [PRC] yesterday reiterated its opposition to the signing of a fishing agreement between the Philippines and Taiwan which was entered into last Sunday in Taipei saying that Beijing has always been against the holding of formal talks between Taipei and governments adhering to the One-China policy.

However, Guo Bao Cheng, PROC embassy spokesman, refused to say if Beijing was contemplating the filing of a protest against the newly signed accord, saying that they have to get hold of a copy of the agreement before they will make any statement on the matter. He said though that their statement which was issued last month during the first round of talks in Manila remained.

The statement which was re-issued by the Chinese embassy said: "We wish to express serious concern over this development. We are resolutely against the Taiwan authorities holding talks with the relevant countries on sea waters or fishery agreement."

"We stress that any statement or action that would lead to 'Two Chinas' or 'One China, One Taiwan,' or that would treat Taiwan as an independent political entity are definitely not acceptable to us," the statement said.

The Beijing government regards Taiwan as its 27th province.

The Philippine government severed diplomatic ties with Taiwan in 1975 when it opened formal ties with Beijing. Under the 1975 joint communique signed between the PROC and the Philippines, the Manila government will recognize only the Beijing government as the sole and legitimate representative of the whole of China.

The Aquino administration has repeatedly said it would continue to adhere to the One-China policy. Palace officials, however, said the PROC was not averse to contacts with Taiwan provided it was made on the people-to-peope level.

The agreement signed by Manila and Taipei Sunday was the first between the two nations after formal ties were cut.

Under the accord, the Philippine government will allow Taiwanese fishing trawlers to pass through disputed territorial waters enroute to fishing grounds in the South Pacific in return for Taiwan's help to expand and modernize port facilities in Aparri, Cagayan.

Taiwan also offered to donate five fishing boats and send a relief team to help the victims of Mt. Pinatubo's eruptions.

Meanwhile, Bonifacio Arribas left yesterday for Turkey to assume his new post as chief of mission, the Department of Foreign Affairs (DFA) said.

Arribas will be the first Filipino resident envoy to Ankara since the two countries established diplomatic ties in 1973.

Prior to his new assignment, Arribas was the director general of the Office of West Asian and African Affairs (OWAAA) of the DFA. Arribas is a career foreign service officer, with a rank of Chief of Mission II.

The move to send a resident envoy to Ankara came in time for the scheduled Islamic Foreign Ministers Meeting (IFMC) [as published] in Istanbul next month where the Muslim separatist movement Moro National Liberation Front (MNLF) has an observer status.

Bahnarim Guinomla, at present the executive director of OWAAA, would assume the post left by Arribas in the home office in an acting capacity, the DFA said.

The DFA also said other posts to be opened this year included three countries in the Middle East: Bahrain, Oman, and Qatar. Plans were also underway for the reopening of the Philippine mission in Senegal which was closed in the early eighties because of budgetary problems.

Envoy to Kuwait Files Claims Against Iraq

HK0807110891 Manila MANILA BULLETIN in English 7 Jul 91 p 11

[By E.T. Suarez]

[Text] Philippine Ambassador to Kuwait Mauyag Tamano has filed a $100-million reparations claim in behalf of the Filipino workers and their families in Kuwait for properties and assets lost because of the Gulf war.

Al Rashid Cayongeat, president of the Foundation for the Advancement of Islam in the Philippines (FAIP), said yesterday that Tamano told a Philippine delegation which he headed that the claims were filed in accordance with the United Nations resolution directing Iraq to make reparations payments for the properties that were lost or destroyed because of its invasion of Iraq.

Tamano told the delegation that many of the 60,000 workers who were working in Kuwait when the Gulf war occurred will be benefited in case the reparations claims are granted.

"The ambassador had submitted all the required documents to back up the claims and he is exerting all the necessary efforts to secure favorable action on the claims," Cayongeat said.

He said Tamano has been assured by the Kuwait government that it will extend full support to the claims so reparations payments could be facilitated.

Cayongeat said that considering the situation in Kuwait, the Philippine government—through the Philippine embassy, the Philippine Overseas Employment.

Administration (POEA and the Overseas Workers Welfare Administration (OWWA)—should work harder to ensure the employment of more Filipino workers there.

He said POEA, OWWA and the Philippine embassy should help each other in getting better terms and conditions for Filipino workers.

Aquino's Address on Science, Technology Week

HK0807043291 Quezon City Radyo ng Bayan in Tagalog 0121 GMT 8 Jul 91

[Speech by President Corazon Aquino during opening of the Science and Technology Week celebration at the Philippine Trade Center in Manila—live in English]

[Text] Secretary [of Science & Technology] Ceferino Follosco, Undersecretary Ricardo Gloria, Dr. Corazon Claudio, Fr. Bienvenido Nebres, your excellencies of the diplomatic corps, fellow workers in government, ladies and gentlemen.

Five years and five months ago, this administration started to rebuild our democratic institutions, following a social upheaval which expressed our people's rekindled spirit and faith in themselves, to improve their lot and determine their common destiny.

Today we are witnessing a different sort of upheaval, which is not volcanic in nature, puts to test the same spirit, demands a firmer faith in ourselves, and calls for a reaffirmation of our solidarity.

For the Department of Science and Technology [DOST], the geologic cataclysm significantly coincides with preparations to celebrate 1991 National Science and Technology Week. Virtually overnight, because of Pinatubo's eruption, the activities of our scientists and the importance of their work have been projected into the national and international limelight. With uncanny precision, our PhilVocs [Philippine Institute of Volcanology and Seismology] volcanologists and other scientists, particularly those from the Philippine Atmospheric Geophysical and Astronomical Services Administration or PAGASA of the DOST gave adequate warnings long before the eruption. As a result, countless lives were spared and property loss and damage minimized.

Given the same vigor, dedication, and expertise of our scientists and technologists, the process of repair and rebuilding is proceeding at a relatively fast... [14-second interruption]...DOST has found that the volcanic ash is even better than river sand in producing concrete hollow blocks. Other applications of the ash and from the stones are clay bricks and roof tiles, ceramic clays, calcium silicate blocks, abrasive cleansers, cement clinkers, novelty items, and even media for hydroponics and orchids.

On the occasion of this week's celebration of science and technology, I therefore commend the science community, particularly the leadership of DOST, Secretary Ceferino Follosco... [three-minute interruption due to technical problems encountered in station's relay]

[resumed in progress]...implementation of the science and technology master plan. I have already reviewed with the cabinet the first year's implementation of the master plan, and have directed the Department of Budget and Management to provide the DOST with additional resources especially for research and development. A lot of highly qualified scientific and technical manpower and the continuous brain drain seriously threaten the development of science and technology in our land. Even as the lack of trained manpower continues to plague us, we are trying to compensate for the shortage by improving science education at all levels of our school system. I have thus approved the release of supplementary funds for the implementation of the integrated scientific and technical manpower development program. In addition, we have tapped all possible resources including external funding agencies to improve our science manpower development program.

It is true that the task toward economic prosperity is long and arduous. Government alone cannot do the job. I therefore call on the scientifically and technically inclined from the private sector to give their share of effort, time, and resources to support our science and technology programs. Our progress in these areas will eventually redound to their profit. I also call on my fellow workers in government to strive harder and link arms with the private sector to improve the state of science and technology in the country. Together we can achieve economic development through the enhancement of our local science and technology capability.

The recent emergency has unearthed sterling qualities in our people, especially our professionals. The problems and challenges ahead will continue to test us and they now confront us painfully. Yet, as the wise say: Every trial or setback plants the seed of an equivalent success. With a great deal of hard work and abiding faith in ourselves and in our people, I am certain that we shall emerge as a stronger, more self-assured nation.

May I reiterate my congratulations and best wishes to all of you from the DOST for this year's celebration. I urge you to continue with the splendid performance you have demonstrated during these last few weeks. Best wishes and good morning to all of you.

PDP-Laban Chairman Pimentel on Party's Program

HK0907000591 Manila MANILA BULLETIN in English 8 Jul 91 pp 1, 20

[By Olaf S. Giron]

[Text] Sen. Aquilino Pimentel said yesterday federalization is necessary to effectively decentralize government powers and resources while increasing agricultural production and industrializing the nation to erect the foundations for peace and development.

This capsulized the economic vision and program of the Partido Demokratiko Pilipino-Lakas ng Bayan [Filipino Democratic Party-Nation's Strength] (PDP-Laban) which the party intends to implement in the event that it gets to power in 1992, Pimentel said at the kickoff of the PDP-Laban's multisectoral regional consultative assembly at the Sorsogon provincial gymnasium.

Pimentel, the party's chairman, vowed to eradicate graft and corruption, improve the quality of life, hasten growth in the country-side and regain international prestige if he is elected president.

The senator was joined by party stalwarts that included party president Juanito Ferrer, Sen. Santanina Rasul, former Metro Manila governor Elfren Cruz, former labor secretary Augusto Sanchez and former Ilocos Sur governor Antonio "Yeng" Abaya during the first leg of the assembly.

The first step towards federalism is the promulgation of the Local Government Code to begin the transfer of vital powers and adequate resources from the central to the local government units that will in turn convert local officials as "engines of development," Pimentel said.

He also endorsed the following:

1. Rollback in the prices of fuel to ease the suffering of the people and avert what threatens to be a paralyzing strike and suspend the imposition of the nine percent import levy.

2. Establishment of more cooperatives to combat poverty and unemployment which remain as the country's two biggest problems.

3. Implementation of a debt cap in the servicing of foreign loans and the rechanneling of savings for relief and rehabilitation operations and other pressing needs of the people.

4. Use of the American military bases as the bargaining chips in the negotiation for a new treaty for the greater benefit of the country.

Prodded by representatives from Bicol's six provinces and Sorsogon's 16 towns, Pimentel, who is bruited as PDP-Laban's unanimous choice for the presidency, expressed optimism that his party will win the premier post because of massive support from the grassroots.

He stressed that the party's inner strength comes from local government officials and party members and their followers, adding that the PDP-Laban enjoys the biggest complement of barangay leaders, councilors, vice mayors and provincial board members.

The senator also averred that negotiations with representatives of Sen. Joseph Estrada are now in the final stages for a possible teamup in the national polls where the PDP-Laban plans to field a complete slate of 24 senatorial candidates and one aspirant in every congressional district.

Sanchez, who is also the party's secretary general and spokesman, said that along with Cruz, former chief of the Presidential Management Staff, they have been meeting with representatives of Estrada to work out the teamup.

Ferrer, who had also served as public works and highways secretary of President Aquino, said that he is assessing a similar possible arrangement with the Liberal Party (LP) for a coalition of forces for next year's polls.

Orbos Resignation Said Proof of Weak Leadership

HK0807073891 Manila THE CHRONICLE in English 8 Jul 91 p 4

[Editorial: "Looking beyond the Orbos resignation"]

[Text] The resignation of the popular Oscar Orbos from the Cabinet of President Aquino has momentarily distracted the public's attention from weeks of dreary news from Pinatubo. Beyond the accusations of Palace intrigues, a common theme every time a Cabinet member resigns, are concerns on the continuing ability of the Aquino administration to hold a government together in the remaining months of its term.

The Orbos resignation is being seen as further proof of a weak national leadership that allows petty intrigues among Cabinet officials to disrupt the smooth operations of government. Fears have also been expressed that this very weakness in leadership may be exploited by anti-democratic elements who have been scheming of ways to fast track a change in government before the 1992 elections.

The resignation couldn't have come at a worse possible time. The open-ended situation in the provinces around Mt. Pinatubo demands the most decisive attention of central government. The threat of a crippling and possibly violent nationwide strike over fuel prices has created a feeling of foreboding among the citizenry. The helplessness and panic of government over rumors of an impending return of the former first lady, Imelda Marcos, eroded what was left of the confidence people may still have on government's ability to cope. The resignation of the very man holding a senior government position publicly perceived to have the ability to quickly address the bumper crop of crises the country has been harvesting lately aggravates the feeling of despair that permeates the nation.

Quickly announcing an acceptable replacement for Mr. Orbos is a good way of rising from the ashes of public disappointment over this regulation. A good replacement will quickly put this problem behind us, and get us going to face the uncertainties between now and June 1992.

The new man (or woman) must be able to win the respect and cooperation of the other members of the Cabinet and work out a good transition to the next government. There isn't much the new person can do by way of initiatives and it is probably just as well. The President, it would seem, is uncomfortable with people who do more than shuffle papers in the bureaucracy. Oca Orbos found that out, too late to do him any good.

The replacement for Orbos must be a good manager as well as a political tactician. He must be able to get the bureaucracy moving as he keeps the politicians from derailing government's program. He or she must have a good understanding of economics since the country's major problems are economic in nature and the presidency must not surrender its prerogatives in this area to its economic advisers.

A number of very worthy names have been mentioned as possible successors to Oca Orbos. Many of them will most likely hesitate or even decline the call to public duty for personal reasons. The job, afterall, is thankless even as it is the country's second most powerful. It may even become necessary to call upon the patriotism of the person, but only after the President provides assurance she will not allow her kitchen cabinet to once again destroy the relationship between her and the person who will help her run the sorry mess we call our government.

Aquino Reiterates No Rollback in Oil Prices

HK0907031791 Manila THE CHRONICLE in English 9 Jul 91 pp 1, 10

[By staff members Lito Zulueta and Manny Mogato]

[Text] There will be no rollback in oil prices, President Aquino reiterated yesterday as the government firmed up its "contingency plans" to minimize the impact of the projected nationwide transport strike today, particularly in Metro Manila.

Defying the threat of transport leaders, Mrs. Aquino said in a terse statement read by Press Secretary Tomas Gomez III: "The consideration of an oil-price reduction will take place only after the OPSF (Oil Price Stabilization Fund) deficit shall have been wiped out." But the President is not taking any chances, Gomez said.

He added that Mrs. Aquino called up several officials, like Philippine National Police Director General Cesar Nazareno and acting Transportation and Communications Secretary Pete Nicomedes Prado to firm up the contingency measures for the planned strike.

Classes in the elementary level, including pre-school, are suspended in Metro Manila today, said Nilo Rosas, education department's regional director for National Capital Region.

Outside of the metropolis, regional directors of the education department were given the discretion to decide the suspension of classes based on the situation in their areas.

The President ordered that while the police should observe "maximum tolerance," they should also enforce the law if the strikers resort to violence.

Police went on full alert following reports that communist insurgents would infiltrate the mass action, which organizers said would culminate in a bigger "Welgang Bayan" [National Strike] if the government does not accede to their demands.

For his part, Prado said the police have been ordered to arrest all strike participants who resort to violence and disrupt the smooth flow of traffic in the metropolis.

He also warned that his department will revoke the licenses of public transport operators and drivers who foment violence during the mass action.

In Camp Aguinaldo, armed forces chief of staff Gen. Lisandro Abadia said the military has no plans to go on full alert, but warned that trouble makers will be dealt with severely.

"We will not tolerate any group or individual who will foment any form of disturbance which can pose a threat to the stability of the nation," Abadia told reporters. "Any violent actions will be dealt with accordingly."

He was apparently referring to the violence that marred the "Welgang Bayan" last October, which resulted in the death of several persons and the burning of buses.

Both Abadia and Prado assured that the government is prepared to offer free rides to stranded commuters.

About 700 vehicles, including government and military trucks as well as cars, have been mobilized to ferry commuters affected by the planned strike.

Provincial buses will be allowed to ply the main thoroughfares in Metro Manila.

In addition, security teams will escort government-operated transport units to protect commuters from trouble-makers and agitators during the strike, Abadia said. At the same time, some 600 soldiers will be stationed on the main routes in the metropolis as early as 4 a.m. today.

Officials identified the critical areas likely to be severely hit by the strike as Edsa-Cubao, Monumento, Marikina, Divisoria, Alabang, Muntinlupa, Cainta, Pasay Rotunda and Baclaran.

According to Prado, at least 5,000 members of transport cooperatives in the metropolis told him they are not joining the strike and will ply their usual routes today on condition that they be provided with military and police escorts.

He alsol threatened to revoke the licenses of operators who will participate in the strike for alleged violation of their certificates of public convenience issued them by the DOTC [Department of Transportation and Communication].

Prado also warned that drivers who prevent their colleagues from plying their routes or who resort to violence will be penalized with the cancellation of their licenses.

Abadia Declares Red Alert Status Before Strike

HK0807105891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Jul 91

[On-the-spot interview with General Manuel Roxas, deputy director of the Philippine National Police by anchorman Joe Taruc through field reporter Fernan Imberga—live; italicized portions in English]

[Excerpts] [passage omitted] We have been following this hostage drama in Manila. And there are issues mentioned by Juan de la Cruz and these may be exploited in the projected national strike tomorrow.

In relation to this, AFP [Armed Forces of the Philippines] chief of staff General Lisandro Abadia recently declared a red alert status to prepare the military for the strike to be undertaken by the 1 May Movement and other cause-oriented groups. And now we would like to get some statements from the deputy director general of the Philippine National Police regarding the preparations they have made in connection with the strike tomorrow morning. [passage omitted]

[Roxas] *Well, the Philippine National Police, as per the guidance of General Nazareno, will be guided by the principle that the airing of grievances in public through peaceful means and assembly is legitimate, because this is guaranteed by our Constitution. But we will not allow, and we will strictly enforce, the maintenance of peace and order. If they resort to violence,* coerce those who do not want to join, *and they will be creating trouble, then we will arrest them. And then also, we will also provide security to bus companies, in their bus stations. And we will provide also drivers* if in case no driver wants to go out. *There will be some drivers on standby both from the military and from the Philippine National Police.* [passage omitted]

[Imberga] We would like to ask General Roxas if they have plans to declare a red alert status in connection with the national strike tomorrow?

[Roxas] *You know, we are not declaring red alert nationwide; but it all depends on General Filart, he being the commander of the Capital Command.* If in his assessment and evaluation, there is a need to declare red alert status in Manila, then they can do that.

Transport Group Leads Strike Over Oil Price

HK0907031191 Manila THE CHRONICLE in English 9 Jul 91 pp 1, 10

[By Annaliza Guiwa, Rico Rosario, Cet Dematera, Ernesto Generoso, and Joey Caburnida]

[Text] The transport strike planned for today will go on as scheduled and protest leaders said they are determined to accomplish their objective: bring Metro Manila and other urban centers in the country to a complete standstill.

It's all systems go, the leaders said yesterday, adding that they are expecting the Iglesia ni Kristo [Church of Christ] (INK) to join in their protest action to demand a roll back in oil prices to a maximum of P5 [Philippine peso] per liter.

The 18,000-strong Philippine Councilors' League also said it is joining the protest action to express its support and sympathy to the protesters' demand.

Four of the country's largest transport groups—Federation of Jeepney Operators and Drivers Associations of the Philippines (Fejodap), Pagkakaisa ng mga Samahan ng Tsuper at Operator Nationwide [Federation of Drivers and Operators Organization Nationwide] (Piston), Philippine Confederation of Drivers Organizations-Alliance of Concerned Transport Organizations (PCDO- Acto) and the Metro Manila Tricycle Operators and Drivers Confederation (MMTODC) are spearheading the strike.

Others expected to join are the Kilusang Mayo Uno [1 May Movement], People's Caucus, Labor Advisory and Consultative Council, National Union of Students of the Philippines, League of Filipino Students and Bagong Alyansang makabayan [New Nationalist Alliance] (Bayan).

In a joint statement, the four transport groups warned they would support an even bigger "Welgang Bayan [National Strike]" being planned nationwide if the government refused to accede to their demand for a rollback in oil prices.

"Kaming mga pinuno ng mga malalaking samahan ng tsuper at operator sa transportasyon ay nagpapahayag ng aming panindigang dapat nairolbak ang presyo ng langis sa halaga nito bago mag- Disyembre 5, 1990," ["We, the leaders of big transportation organizations of drivers and operators express our joint stand for oil price rollback to its pre-December 5, 1990 level"] their statement said.

"Kailangang-kailangan namin ang rolbak ng presyo ng langis upang makatikim kaming mga tsuper at operaytor, sampu ng aming mga pamilya at mga kapwa mamayan, ng kahit kaunting kaluwagan sa kabuhayan, o economic relief, sa gitna ng matinding krisis." ["We badly need the oil price rollback so we, the drivers and operators, together with our family and fellow citizens, can have economic relief in the middle of a serious crisis."]

They also accused the government of not coming up with an effective solution to the rollback issue.

"Labing-dalawang hearing na ang nakakalipas sapul pa nang nagsampa ng petisyon sa Energy Regulatory Board [ERB] noong Abril 16, subalit wala pa rin kaming nasisilayang pabor sa pagkilos ng ERB para sa mamayan," ["Twelve hearings have passed since a petition was filed with the Energy Regulatory Board in 16 April, but we have not seen any favorable move from the ERB,"] they said.

Medardo Roa, Piston chairman, said they expect about 100,000 drivers to participate in the strike, which he said will also affect some parts of Luzon as well as the cities of Cebu, Davao, Iloilo and Cagayan de Oro.

"Kung manatiling bingi ang gobyernong ito sa karaingan naming mga mamayan, mapipilitan kaming magwelga upang igiit ang aming karapatan," ["If the government continues to play deaf on our pleas, we will be forced to pursue our strike to assert our rights,"] he said.

Sen. Aquilino Pimentel, in a press statement, also urged Malacanang to heed the "popular clamor" for a price rollback and the suspension of the 9% import levy.

"There is a great deal of rehabilitation work to do, with Pinatubo still a big lump on our throat," he said. "These mass actions have got to stop."

He argued that Malacanang should act immediately in rolling back the oil prices and decreasing, if not suspending, the 9% import levy.

"The key here is compromise because possible loss of lives during mass actions simply negates efforts to accumulate OPSF funds," he said referring to the Oil Price Stabilization Fund.

He noted that although several senators have expressed their support for a price rollback, Malacanang has remained firm to keep the present rates until a new buffer fund for the OPSF has been accumulated.

New Defense Chief Not To 'Derail' Programs

HK0807073091 Manila MANILA BULLETIN in English 8 Jul 91 p 8

[By Aris R. Ilagan]

[Text] Pili, Camarines Sur—Armed Forces chief of staff Gen. Lisandro Abadia said yesterday that the appointment of a new secretary for the Department of National Defense (DND) will not derail the existing programs of the military organization.

In a press conference after his dialogue with members of the Army 201st Infantry Brigade here, Abadia said that the AFP [Armed Forces of the Philippines] command has no preference on any of the prominent personalities being eyed for the top defense post.

In view of his presidential ambitions, Defense Secretary Fidel V. Ramos is scheduled to resign before July 22.

Among the retired military men being considered as the next defense secretary are former AFP chief of staff Renato de Villa, National Security adviser Rafael Ileto, and Customs Commissioner Salvador Mison.

Leonardo Quisumbing, a former human rights lawyer who is now defense undersecretary, and Rep. Jose Yap, chairman of the House national defense committee, are among the civilian leaders who were recommended for the top defense position.

"Maski sino ang umupo diyan, susunod kami. (Whoever will be appointed as defense secretary, we will abide by his oders)," Abadia told newsmen.

Abadia expressed optimism that the existing thrust of the AFP on the problems of insurgency, ultra-rightist group and Muslim secessionists will not be adversely affected with the change of leadership at the DND.

The AFP chief of staff was given a free hand by President Aquion to conduct a dialogue with top rebel military officers, particularly former Army Lt. Col. Gregorio Honasan.

The AFP is also now focusing on the modernization of its three major services—Army, Navy and Air Force—as the Philippine National Police (PNP) will be solely responsible in neutralizing the communist rebels by the year 1993.

By then, the military will be primarily responsible on securing the country against any form of external aggression.

Ramos Expresses Opposition to Military Rule

HK0807111291 Manila MANILA BULLETIN in English 7 Jul 91 pp 6, 23

[By Aris Ilagan]

[Text] Defense Secretary Fidel V. Ramos has expressed his opposition to military rule, saying that a "decisive and hands-on leadership" can be the best antidote to the mounting problems of the country.

In a speech before members of the Cebu Chamber of Commerce and Industry in Cebu City, Ramos said that his detractors should formulate a feasible strategy to solve current national problems instead of fanning apprehensions that his past military career will influence his decision-making on governmental concerns.

The defense chief also blamed "accusations of worried men" for generating fears that his close links with the military will lead the country to a new era of authoritarianism.

As among [as published] the top contenders for the presidential race next year, Ramos said military rule was out of the question even as some quarters pointed out that this form of leadership was a big factor in the success of other Asian countries.

He explained that authoritarian rule on other countries, particularly on South American and African countries, have already proved otherwise.

Based on his program of "people empowerment," Ramos offered a decisive and hands on leadership to restore popular confidence. "It is through national faith that we can surmount all these crises."

Ramos said that the government should also establish an atmosphere that would inspire the reconstruction and the rebuilding of the nation amid calamities and hardships. "Let's do it the hard way because it is the right way."

On the allegations that he had been using military men to campaign for his presidential ambitions, the defense chief said he already issued "clear instructions" to police and military commanders to stay off partisan political activities.

Further, Ramos also lambasted the hypocrisy of some traditional politicians who criticized him on using military planes for campaign purposes.

"I will not even discuss here how congressional resources have been utilized," he said but did not elaborate.

Abadia Says Fugitive Honasan Willing To Talk

HK0907061291 Manila THE CHRONICLE in English 9 Jul 91 pp 1, 10

[By Manny Mogato, staffmember]

[Text] Fugitive coup leader Gregorio Honasan is allegedly willing to talk to the military leadership to resolve through peaceful means the factionalism in the armed forces, intelligence reports said.

But the reports also said other renegade officers were trying to prevent Honasan from pursuing any initiative to come forward and hold a dialogue with the AFP [Armed Forces of the Philippines] leadership.

Gen. Lisandro Abadia, the AFP chief of staff, revealed the intelligence reports at a command briefing at the headquarters of the Southern Command (Southcom) in Zamboanga City Sunday.

Abadia said military rebels apparently had not resolved their differences over the government's offer for a dialogue to resolve the factionalism problem.

He said former navy commodore Domingo Calajate had been blocking Honasan's initiative for a dialogue.

"Surprisingly, Calajate is more militant than Honasan," Abadia said. "Calajate seems to be more infantry-prone at this stage."

Abadia said he expected Calajate to have a softer position than Honasan because of his limited experience and exposure in combat.

Calajate spent much of his naval career aboard ships and in technical and staff positions in the military organization, unlike Honasan who has some combat experience in Mindanao when he was still a lieutenant.

Abadia said Calajate had been using his influence on other renegade officers to block efforts by Honasan to contact the government or initiate dialogue.

Calajate has become the head of the executive committee of the ultra-rightist group (URG), composed of military rebels belonging to the former Reform the AFP Movement (RAM), Young Officers Union (YOU), and the Marcos-loyalist-dominated Soldiers of the Filipino People (SFP).

Honasan is still seen as the nominal head of the movement, although the committee makes the decision for the entire movement.

"Honasan apparently cannot decide alone," the intelligence officials said. "Even if Honasan wants a dialogue with government, he has to consult and yield to the decisions of the entire committee, which respects Calajate's seniority."

Calajate belongs to the Philippine Military Academy Class 1960 and is believed to be the highest ranking military renegade still at-large, while the other members of the committee belonged to the younger PMA batches, like Honasan and former air force Lt. Col. Eduardo Kapunan, who belong to PMA Class 1971. Abadia, nonetheless, remained hopeful that dialogues with the renegades would still push through because of multi-sectoral pressures on the leaders of the rebels to come out and talk.

Bombers Confess to Rebel Military Affiliation

HK0807072591 Manila MANILA BULLETIN in English 8 Jul 91 p 8

[By Aris R. Ilagan]

[Text] Two members of the outlawed Reform Armed Forces Movement (RAM) had owned responsibility for the recent wave of bombings in Metro Manila despite the on-going efforts from the Armed Forces high command to facilitate peace talks with the rebel soldiers.

This was revealed by Col. Alfredo Pajarillo, commanding officer of the AFP [Armed Forces of the Philippines] Medical Center, based on statements of Sgt. Gerardo Flores and Pfc. Eugenio Bolivar.

Both Flores and Bolivar were seriously injured when the bomb they were detonating prematurely exploded at the Wonderland Townhouse on Vergara St., Mandaluyong last June 15.

Pajarillo said the two rebel soldiers, who confessed to military investigation teams in their involvement on the bombing activities, later died at the AFP Medical Center intensive care unit.

Based on medical diagnosis, the two bombing suspects died from 67 percent thermal burns in the different parts of the body.

Both Flores and Bolivar were also positively identified by some arrested rebel soldiers as "hatchet men" in the RAM's bombing missions, Pajarillo added.

It can be recalled that AFP chief of staff Gen. Lisandro Abadia started establishing communications with top rebel military officers last May in an effort to put an end to the ultra-rightist problem.

Abadia maintained his "open door" policy to rebel soldiers, saying that he will exhaust all "democratic and peaceful" means to convince them to surrender.

AFP, Police Step Up Counterinsurgency Transfer

HK0807121791 Manila MANILA BULLETIN in English 7 Jul 91 p 19

[By Aris R. Ilagan]

[Text] Camp Ibalon, Legazpi City—The Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP) have stepped up the implementation of a six-phase transition on the transfer of counter-insurgency operations from military units to police forces under the PNP law.

In a briefing at the PNP Regional Command (Recom) 5 headquarters here, Chief Superintendent Miguel Fontanilla, Recom 5 chief, told Gen. Lisandro Abadia, AFP chief of staff, that his command is introducing Phase 2 of the transition process as the PNP law enters the second quarter of the year.

Under the PNP law, counter-insurgency operations will be solely the responsibility of the national police, while the AFP will concentrate on building itself as a fortified external defense force.

The six-month period allowing members of the defunct Philippine Constabulary to join the PNP or transfer to the three services of the AFP—Army, Navy, and Air Force—also ended last June 30.

The six phases involved in the transition process are the following:

1. The transfer of area of responsibility which has already been cleared of communist rebels and the peace and order situation has improved. [sentence as published] Phase 1 was implemented from Jan. 1 until June 31 this year.

2. The PNP will take over security for very important personalities such as local officials in areas already covered by Phase 1. All AFP units detailed at VIPs shall be recalled back to their mother units. Phase 2 took effect last July 1 and ends in October this year.

3. The PNP will take over the security of vital government installations such as power sources, water facilities, and

communications, except in areas where New People's Army (NPA) priority guerrilla fronts still exist. Phase 3 will be implemented in the last quarter of this year.

4. The PNP takes over all the remaining areas of the country. It will also take over vital facilities, key private industries and properties, except those with external security operations. This takes effect from January to December, 1992.

5. The PNP shall take over responsibility of containing the threat posed by the Muslim secessionists in Southern Philippines in the second quarter of 1992.

6. The PNP takes over full responsibility of internal security from the AFP which shall then devote itself to the country's external security effective January, 1993.

Government Not To Hold Talks With NDF

HK2906051691 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 29 Jun 91

[Text] The government will not hold direct talks with the National Democratic Front [NDF]. Justice Secretary Franklin Drilon said the government prefers to negotiate with the local communist leaders. Drilon's statement is in relation to a statement by the NDF Executive Committee requesting new peace talks following the eruption of Mt. Pinatubo. Based on an Armed Forces of the Philippines report, Drilon said the NDF no longer has control over the armed elements in the field.

Territorial Defense Strengthened in Davao Sur

HK0907080691 Davao City THE MINDANAO DAILY MIRROR in English 3 Jul 91 p 4

[Text] The Philippine Army's 601st Infantry Battalion based in Pulatana, General Santos City led by Brigade Commander Col Manuel Z. Villareal, plans to strengthen the territorial defense system in the province of Davao Sur so that provincial and local government units can function effectively.

Col Villareal said that the plan of creating a more secure environment in the province involves the marshalling of all police forces, CAFGU [Civilian Armed Forces Geographical Unit] companies and platoons and Civilian Voluntary Organizations (CVOs) to be known as the City/Town Defense Force.

He also emphasized that the various City/Town Defense Forces shall be backed up by the mobile forces of the infantry battalions and PNP [Philippine National Police] provincial command station in the province.

In his letter addressed to Governor Douglas Ra. Cagas dated June 10, 1991, Villareal extended the Brigade's support to the Nagkahiusang Katawhan alang sa Kalinaw (NAKASAKA) [People United for Peace]." I have always espoused that the government must deprive the Communists of both the opportunities and activities to establish the revolutionary movement", he added.

Villareal also stressed that NAKASAKA is an effective means of counter-organization to win the campaign against the communists insurgency.

He also asked the permission of Gov Cagas that the NAKASAKA be integrated into the various city/town defense forces for developing a more formidable united front against the communists.

"It is our belief that security forces and local government units from the provincial to the barangay levels must unify their efforts and have singleness of thought, purpose and action to function more effectively and deliver the basic services to the populace," Brigade Commander Col Manuel Villareal said.

Nationwide Alert for CPP-NPA Activities

HK0407121191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 4 Jul 91

[By Fernan Imberga]

[Text] Philippine National Police [PNP] Director General Cesar Nazareno today alerted all PNP units nationwide for a possible Communist Party of the Philippines-New People's Army [CPP-NPA] and its organizational fronts exploitation of the crisis brought about by the Mt. Pinatubo eruption. Nazareno's order was issued to preempt possible CPP-NPA moves to instigate the public to rise against the government and use the crisis caused by the Mt. Pinatubo eruption to win the masses' support and be considered their champion. Nazareno said that in times of crisis like this, the CPP-NPA usually capitalizes on the people's suffering and incites them to act against the government, and at the same time win support and funds from abroad to advance its revolution. Nazareno also alerted his men on the imminent national strike being planned by the 1 May Movement because of the CPP-NPA participation in the recent national strike related to the oil price rollback demand.

'Teamwork' Needed Against Communist Insurgency

HK0507053491 Quezon City MALAYA in English 5 Jul 91 p 6

[By Florencio P. Narito]

[Text] Legazpi City—Defense Secretary Fidel V. Ramos said recently that the key to the success of the government's counter insurgency program is teamwork based on integrated action among the military, national and local executives and the citizenry.

During a recent meeting of the Regional Peace and Order Council, chaired by Albay Gov. Romeo Salalima, at Camp Bagong Ibalon here, Ramos pointed out that, since "the roots of insurgency and criminality are socio-economic and political in nature," there is a need for integrated action on the part of the government and nongovernment organizations to speed up the delivery of basic services to alleviate poverty especially in the countryside where communist rebels thrive.

The meeting was also attended by Brig. Gen. Federico Ruiz Jr., Southern Luzon Command [Solcom] chief, Brig.

Gen. Rene Cardones, Solcom deputy commander, Chief Superintendent Miguel Fontanilla, Philippine National Police [PNP] regional director for Bicol, and Col. Victor Mayo, 201st infantry brigade commander.

In the briefing made by Navy Capt. Guerrero Guzman, Solcom deputy chief for Region 5, he said the AFP [Armed Forces of the Philippines]-PNP in the Bicol region was threatened by three fronts: the communist insurgency, the ultra rightists, and plain criminals.

He said, however, the activities of the ultra rightists in the region have been greatly minimized with the capture of Army Lt. Cristobal Zaragosa last Feb. 19 in Sorsogon.

Guzman disclosed that the CPP-NPA [Communist Party of the Philippines-New People's Army] has (as of the first quarter of 1991) a total of 1,336 regulars, 366 of which are party members while 970 are armed components. It has also the support of 1,864 National Democratic Front and 1,952 militiamen who are "farmers by day but guerrillas by night."

'Most Wanted' CCP-NPA Rebel Leader Captured

HK0807112691 Manila MANILA BULLETIN in English 7 Jul 91 pp 1, 20

[By Aris R. Ilagan]

[Text] A top leader of the Communist Party of the Philippines—New People's Army (CPP-NPA), tagged as the most wanted communist rebel in Mindanao, was captured by military intelligence units in Cebu City, Gen. Lisandro Abadia, Armed Forces chief of staff, announced yesterday.

Romulo Bas, 40 with aliases Salvador Bas and Rolando Benavides, was arrested by operatives of the Intelligence Service of the AFP [Armed Forces of the Philippines] (ISAFP), the Military Intelligence Group-Region 7, and the Cebu City PNP [Philippine National Police] Command.

Brig. Gen. Romeo Zulueta, Visayas Command (Viscom) chief, said that Bas is a member of the CPP Central Committee and deputy secretary of the CPP-Mindanao Commission Kommid).

Bas, who carried a P500,000 [Philippine peso] reward for his arrest, was presented to Defense Secretary Fidel Ramos during a briefing on the peace and order situation at the Viscom headquarters in Ceby City.

Zulueta said that the arrest warrant for Bas was issued by Regional Trial Court Judge Godardo Jacinto.

According to military records, Bas joined the CPP-NPA in Zamboanga City in 1972 when he was recruited by Vicente Ladlad, who is also now a top CPP leader. Bas soon became secretary general of the Monterosa guerrilla front.

A native of Oroquieta City, Bas later was named chairman of the Western Front Committee and the Northwestern Mindanao regional party committee.

One of his brothers was also tagged by the military as a member of the NPA Command in Misamis Occidental.

Military authorities said that Bas became isolated from the CPP leadership because of differences with party officials. But he managed to regain his Kommid post and was finally named its chairman in 1986.

In the CPP hierarchy, the Kommid chief automatically becomes a central commiittee member.

In 1987, Bas gave up the Kommid post in favor of Prudencio Calupid, reportedly because of kidney and heart ailments.

"The fall of Bas in the hands of military authorities shows the weakness of the CPP-NPA aimd the rapidly declining support for the communist movement," Abadia said.

Missing Korean Priest Said Seen During Clash

HK0907053091 Manila PHILIPPINE DAILY INQUIRER in English 9 Jul 91 p 8

[By Carolyn Arguillas]

[Text] Sta. Cruz, Davao del Sur—A South Korean Catholic priest reported missing since mid-May is now in the company of communist rebels, the Army's 46th Infantry Battalion commander here said.

Maj. Ernie Amboy told reporters that Benedictine priest Kim Kong Pil was seen with the New People's Army [NPA] guerillas during an encounter two weeks ago in Sitio Mahayag, this town.

Ambody said it could not be ascertained if the priest is being held hostage by the rebels or has joined them. Amboy quoted his platoon leader as saying the priest was not armed during the encounter.

Kim Jong Pil was reported in mid-May to have left the Benedictine House in Cogon, Digos, Davao del Sur to have his shoes repaired at the Poblacion.

The Davao City Metrodiscom [Metropolitan District Command] report, however, indicated the priest disappeared on April 12 while on his way to an English language class in Lanang, Davao City.

Amboy said the priest was seen not only by his troops but other informants as well.

Amboy said the superior of the Benedictines in the province informed him that about four days after the encounter, the priest showed up at the Benedictine Monastery in Digos.

The priest, Amboy said, "did not give his superiors a chance to talk with him because when he saw them, he fled." The priest only spoke with the cook and reportedly asked for medicine, Amboy said.

Amboy added the priest boarded a passenger jeepney bound for Sinuron, Sta. Cruz. "He does not look like a Korean now and he is sporting longer hair," Amboy said. Amboy said Kim Jong Pil comes from a family of nuns and priests.

Meanwhile, in Davao City, a number of local government officials are receptive to the possibility of a selective ceasefire with communist rebels but military officials here have kept mum on the issue.

Davao City Mayor Rodrigo Duterte said he welcomes the idea and that he has been battling for local rather than national-initiated talks with the rebels because the former is reportedly more effective.

"I would be very happy to initiate a ceasefire in the city if allowed by the government," Duterte said.

Duterte's mother Soledad was the chairman of the city's Ceasefire Committee in the failed 1986 peace talks.

Davao City was dubbed the country's "Laboratory for Urban Guerilla Warfare of the Communist Party of the Philippines" until shortly before the EDSA [Epifanio de los Santos Avenue] Revolution.

"There has been a considerable improvement in the peace and order situation here," Duterte said, adding that the NPA has ceased to use the urban center as its base of operations, unlike in the past.

"But I'd be very happy if there is peace in the mountains," Duterte said.

"Ceasefire? Peaceful naman sa amin," [It is peaceful in our place] Davao del Norte Gov. Prospero Amatong told the INQUIRER.

Davao del Norte hosted the first ever local ceasefire in the country on Aug. 14, 1986, months before the national ceasefire began on Dec. 10 that same year. The local ceasefire lasted less than a week when both sides decried violations committed by the other and when a number of Scout Rangers under then Col. Marcelo Blando were ambushed and killed by rebels.

One of the four NPA signatories to that ceasefire is now the chief aide of Amatong.

Lifting of Foreign Exchange Holdings Limit Urged

HK0507055791 Manila THE CHRONICLE in English 5 Jul 91 p 1

[By staff member Leticia Perez]

[Text] The Bankers Association of the Philippines (BAP) is asking the Central Bank to temporarily suspend its rule limiting the banks' foreign-exchange [forex] holdings.

A top BAP official said that with the system currently awash with foreign exchange, there is no reason for the Central Bank to continue requiring banks to balance their foreign-exchange assets with liabilities.

The BAP position was submitted to the Central Bank this week and precedes what is generally believed to be an imminent rebound of the dollar against the peso.

The Central Bank is currently reviewing the proposal, but is likely to just modify the regulation, a Central Bank official told the CHRONICLE.

Under the rule, banks should match total foreign-exchange liabilities with total foreign-exchange assets. Any excess would have to be sold to other banks, to clients or the Central Bank.

The regulation was issued to ease the tight dollar situation at that time. The Gulf war initially pushed oil prices up, sending oil companies to plead to banks for more dollars.

The BAP official said the Central Bank's rationale for imposing the regulation no longer holds true.

"Banks have been selling dollars, but nobody is buying," the bank president said.

The softness of the forex demand could be monitored from the official trading floor. The peso was quoted at P [Philippine pesos] 27.663 yesterday. It remained steady after appreciating by 6.7 centavos against the U.S. dollar the previous day.

The appreciation of the peso was attributed by economists to the slowdown in the economy. Import demand has been at a decline after the government imposed the 9% import levy. Bankers said some of their clients are still speculating when the import levy will be phased down or phased out before they start importing.

But right now, one banker said import inventories are also at an extreme low level and yet importers are buying only what they need.

A Central Bank official said that while it is true that the situation has already stabilized, it does not mean it will remain that way.

He cited that the situation may reverse in the coming months if the import levy, for instance, is removed and importations rise.

Aside from flushing out the dollars from the banks, the official said, Central Bank would also want to enforce "prudent levels" in their foreign-exchange position.

If the circular is suspended, the official said there would be no limit to the foreign-exchange holdings of banks.

Jose Facundo, president of Citytrust Banking Corp., explained that what banks are asking is for the Central bank to standardize its computations for a balanced foreign-exchange position.

The problem, he said, is the determination of how to include the forward contracts in the computations.

The Central Bank follows the "unconventional way" of computing the balance of forex position. BAP, he said, wants the conventional way or what is used internationally.

Government Seeks Early Release of Forestry Loan

HK0907051691 Manila THE CHRONICLE in English 9 Jul 91 p 3

[Text] The Aquino government is seeking the early release of $25 million it is borrowing from the Asian Development Bank [ADB] to finance part of its Industrial Forest Plantation [IFP] project.

Finance Secretary Jesus Estanislao said he had written Bhanuphol Horayangura, ADB programs manager for the Philippines, to press for the early release to the Land Bank of the Philippines, the program's conduit, so that it could be farmed out immediately to qualified IFP participants.

Substantial progress has already been achieved in the processing of the project with all the preconditions met, except a slight modification of the proposed interest rate structure particularly on the relending terms, Estanislao said.

He is optimistic that the project, totalling $186.9 million, could start within the second half of the year as loan negotiations have been finalized between the ADB and the Department of Environment and Natural Resources.

The government will guarantee the "foreign exchange risk" with the Land Bank shouldering the "credit risk" for a fixed spread of 3.5% annually, Estanislao added.

He said the National Economic Development Authority has already adopted a policy to make available subloans to participants to ensure the project's viability and implementation.

The Land Bank, Estanislao said, will relend at a fixed interest rate of 14%-yearly payable within 15 years, including a seven-year grace period.

Under the program, Estanislao said four areas have been identified for funding:

—20,000 ha. of mixed industrial forest plantation to be developed by Provident Tree Farms Inc. a sister company Philippine Match Co., in Agusan del Sur.
—10,000 ha. of idle, alienable and disposable lands in Surigao del Sur to be developed jointly by Picop and 100 barangay associations in the province.
—3,200 ha. in Augusan del Norte by Nasipit Lumber Co.
—3,000 ha. within a cancelled timber land concession in Western Palawan to be developed by the Pagdanan Timber Products Inc.

As planned, the program will forest 120,000 ha. of "environmentally and socially important degraded lands" throughout the country within six years.

The ADB loan will finance the planting of industrial trees, rattan, bamboo and rubber.

Effects of Davao City Six-Month Drought Noted

HK0907083291 Davao City THE MINDANAO DAILY MIRROR in English 4 Jul 91 pp 1, 17

[Text] Some 18,011 farming families scattered in the city's political districts continue to suffer from the havoc of the six-month drought that hit Davao City up to the early part of this year.

A summary report issued by the Davao City Disaster Coordinating Council (DCDCC) revealed that the affected families were located in 59 affected barangays in Toril, Calinan, Paquibato, Tugbol, Baguio, Bunawan, Buhangin and Marilog.

The report also estimated cost of damages to agriculture at [Philippine pesos]46.5 million. The summary report collated from survey reports of Deputy Mayors, Barangay Captains and Purok Leaders, the affected areas showed the exact number of 8,011 families affected by the 6-month drought who continue to suffer from hunger as a result of the devastation brought by the drought which began in October last year to April this year.

Jose Almario Guintadcan, action officer of DCDCC, said the city will appropriate P1.5 million to buy rice, sardines and other foodstuffs as immediate assistance to the victims.

He said that even as rain has begun last May the farmers have still to plant crops and would not be able to harvest 2 to 3 months from now.

Mayor Rodrigo R. Duterte through Guintadcan is asking the amount from the city council.

The request included in Supplemental Budget No. 4 will be tackled today during special session by the Legislative body.

Drought Reportedly Ruins Corn Crop in Luzon

HK0507055191 Manila THE CHRONICLE in English 5 Jul 91 pp 1, 7

[By staff member Elizabeth Perez]

[Text] While government rehabilitation efforts are focused on the Mount Pinatubo-devastated farmlands in Central Luzon, a different kind of destruction, this one in the form of a six-month-old drought, is wreaking havoc on vast tracts of cornfields in the Cagayan valley.

A report from the Department of Agriculture's Region II office revealed that 234,000 metric tons [mt] of corn valued at P[Philippine peso] 936 million has been destroyed by the lingering dry spell in the Cagayan Valley.

Although the weather bureau has officially announced the beginning of the rainy season last month, Cagayan Valley has been suffering from practically zero rainfall since January, Agriculture Undersecretary Apolonio Bautista yesterday said. "The daily rains which we have been experiencing have not reached Cagayan," he added.

In his report, Region II Director Gumercindo Lasam said that 38,561 Ha [hectare] planted to corn has been totally destroyed by the drought. This hectarage, he added, has "no chance of recovery."

Still another 39,439 ha has been left idle because farmers were unable to till them when the dry spell started to worsen. Only a mere 78,000 ha in the entire region remains available for planting during the coming wet season. Lasam said. Cagayan Valley is the country's second biggest corn producer after Southern Mindanao. Last year, the region accounted for 550,840 mt out of the total national corn output of 4.85 million mt.

Bautista expressed fears that the corn requirements of the feed-milling and poultry industries might not be adequatey supplied because of the expected shortfall from the Cagayan Valley.

"If the rains come, the farmers will try to plant 'palusot' [crop out] crops (an extra cropping of corn) in the higher areas to compensate for their losses,' Bautista said. "But I doubt if the huge losses from the Cagayan Valley can be filled by even higher production from the other regions."

Bautista, however, ruled out the possibility of any corn importation in the short term as a result of the lingering drought in the Cagayan Valley. "I don't think there is any need to import corn at this point," he said, adding that more than 50,000 mt of surplus corn stocks that were supposed to be exported this year might just have to stay in the country to fill any possible deficits. More than 30,000 farmers have been affected by the Cagayan Valley drought, Lasam said. Most of the corn crops ravaged by the drought were already past the tasseling or floweing stage.

Thailand

Spokesman Denies Report on Malaysian Protest

BK0807150191 Bangkok Army Television Channel 5 in Thai 1230 GMT 8 Jul 91

[Text] Sakthip Krairoek, director general of the Foreign Ministry's Information Department, denied a Malaysian mass media report that the Malaysian Foreign Ministry has protested to the Thai ambassador to Malaysia over the arrest of goods smugglers. After contacting the Thai ambassador to Malaysia, Sakthip confirmed that no protest has yet been received. He also said that it would not be a big issue if the Malaysian Foreign Ministry summoned the Thai ambassador for a meeting in the future because Malaysia has the right to call ambassadors of other countries to make inquiries and request explanations. This would in fact be good because it would enable both sides to know about the problem between the two countries.

In addition, the director general of the Information Department said that the military had confirmed that the seizure of contraband goods was done inside Thai territory. Foreign Minister Asa Sarasin this morning instructed the ministry to hold a meeting of agencies concerned to solve the border and fishing problems with Malaysia. Malaysia will invite the Thai ambassador to Kuala Lumpur for a meeting to explain the incident.

Dailies View Recent Malaysian Border Conflict

BK0807153891

[Editorial Report] Two Thai-language dailies, MATICHON and NAEO NA, on 8 July carry editorials on the Thai-Malaysian border dispute following a fresh Thai crackdown on cross-border smuggling of contraband.

MATICHON's 650 word-editorial on page 8, titled: "Please Have the Spirit," says that the Malaysian Government eventually submitted a protest to Thailand expressing its regret over the seizure by Thai officials of goods belonging to Malaysian traders in Padang Besar. Initially, the governments of the two countries remained indifferent although the newspapers and local officials raised the problem.

The editorial says that "disputes ranging from fishing to border problems between Thailand and Malaysia, two good neighbors, have occurred constantly. Before the Padang Besar incident, there was a report on Thai officials arresting Malaysian officials for logging activities on Thai territory while the Malaysian mass media publicized the issue in favor of their people. It seems that the Thai side attaches political importance to this issue and does not want it to snowball into a conflict. The officials were, therefore, released. It seems that Thailand has attached too much political importance to the extent that Thailand looks too weak to Malaysia. This is because Thailand has the spirit of compromise toward its neighbors, especially those in ASEAN. Will Malaysia also realize this spirit? We can find the answer from problems such as the fishing issue."

The editorial concludes by saying that the Thai Government will have to work hard to speedily solve problems with Thailand's neighboring countries. Problems can take place at any time between Thailand and its neighbors such as Burma, Laos, Cambodia, and Vietnam. Unclear borderlines and fishing disputes are usual matters among countries that share common borders or territorial waters. The important thing is to have the spirit of jointly solving the problems seriously.

NAEO NA's 600-word editorial on page 4, titled "Peace or Weakness," says the Malaysian action in sending its armed forces into no man's land following a dispute over the clearness of the borderline and trade and economic interests between the two countries over the past week, is a matter challenging Thailand's ways of solving conflicts with its neighboring countries. "The Malaysian action in sending its armed forces close to the Thai border is considered unusual for countries with good-neighborly relations."

The dispute seems to be causing bad feelings among the people while they are learning from news reports of the Thai side's attempt to reduce tension between the two neighbors by releasing Malaysian officials who had entered Thai territory in Narathiwat for illegal logging activities. There is a feeling through the mass media that Thailand is adopting a flexible and compromising attitude toward handling its relations with its neighboring countries. Many people even see this as a weakness. Thailand has tried to use compromise, cherishing peace and respecting the sovereignty and interests of its neighbors in handling border problems. But its neighbors always adopt tough measures in dealing with border disputes—such as in the problems along the Thai-Lao border, Thai-Burmese border, and Thai-Malaysian border. In this latest conflict along the Thai-Malaysian border in Songkhla Province it is seen that Thailand may look weak in someone's eyes.

The editorial says that "the latest conflict was believed to have been caused by Thailand's severe crackdown on smuggling of goods, which has affected the other country's economy. So the neighboring country must take tough retaliatory measures to express dissatisfaction, and this dissatisfaction was reflected in the remarks of several senior officials."

In conclusion, the editorial says the reactions and opinions of the people in the country should be considered in adopting an appropriate attitude toward our neighbors, although the way of cherishing peace is correct and Thailand's attitude is not due to weakness.

No 'Significant Shift in Policy' Seen in SRV

BK0507075691 Bangkok Voice of Free Asia in English 1500 GMT 2 Jul 91

[Special Report by Sasirit Tankunrat: "When Vietnam Is Making Her U-Turn"]

[Text] The party has made many mistakes but it is never wrong. This was the theme of the Seventh Congress of the Vietnamese Communist Party which ended on 27 June after four days of desultory debate. The congress was supposed to chart Vietnam's course to reach a new era of peace and prosperity by the beginning of the next century. Instead, it produced a lot of turgid dogma and compromise on the big question—who will lead Vietnam in the difficult time ahead. The compromise reflected the bewilderment of the majority of the 1,176 delegates to the congress. The policy of doi moi [economic renovation] launched at the sixth congress in 1986 has produced as many problems as solutions. The party's old friends in Eastern Europe have been swept from power and the Soviet Union cannot afford to bail out Vietnam any longer; Soviet subsidies were stopped at the end of last year. As the old certainties have crumbled, some of the party's members have been left wondering what exactly socialism is.

Nguyen Van Linh, the party's leader since 1986, did his best to inject some certainties this week. Vietnam must at least double its GDP by the end of the century if the people's basic needs are to be satisfied, he said. The question is how should so many gains of the revolution obtained at the price of the blood of so many generations of Vietnamese now be placed in the hands of the forces taking the country onto the capitalist road, which certainly cannot ensure genuine independence to the nation and real freedom and happiness to the overwhelming majority of the people. Fortunately for Mr. Linh, he will not have to lead the party down this or any other road: Illness forced the party's Central Committee to accept his longstanding wish to retire. Six other members of the 12-man Politburo also stepped down. The most notable departures were those of Nguyen Co Thach, the foreign minister; Mai Chi Tho, the interior minister; and Nguyen Duc Tam, the head of the powerful organisation committee of the party. The triumvirate were close to Le Duc Tho, the party's strongman who died last year.

The changes in the Politburo do not portend any significant shift in policy. The old men who have retired will continue to influence policy through an Advisers' Council, which is to be established. More importantly, Do Muoi, the party's new secretary general, is a chip off the same block. Mr. Muoi, who at 74 is one year younger than Mr. Linh, joined the party in 1939 and was elected to the Central Committee in 1960. His appointment as prime minister in 1988 was seen at the time as a victory for the conservative wing of the party. But during three years in the job, he pushed ahead with economic reform. Mr. Muoi is not rated highly by Hanoi's intellectual snobs. He is no [words indistinct], but nor is he gifted, says one. His main qualification for the job is a clean record, unlike some other former Politburo members. Mr. Thach, for example, was criticized at the congress for appointing relations to plum jobs in the Foreign Ministry.

The congress accepted plans to give the secretary general more authority akin to the presidential powers now wielded by Mikhail Gorbachev. Much of the day-to-day work will, however, be done by Mr. Muoi's two main lieutenants on the Politburo—Vo Van Kiet, the new prime minister, and Phan Van Khai, Mr. Kiet's deputy. Both are from South Vietnam, where people tend to be more enterprising than in the solid north.

The task facing the new team is how to operate the multisector economy under the socialist option decreed by the congress.

Economic reforms introduced over the past five years have won praise from the IMF. Price subsidies have been cut, hyperinflation tamed and, most impressively, agricultural production [words indistinct]

One major element in the reform program has been massive investment. The World Bank said last year that Vietnam [sentence indistinct] of foreign investment of U.S.$ 250 [as heard] a year to build the country's shattered infrastructure, sustained growth will be impossible. More important is America, which maintains an embargo on American firms doing business with Vietnam and a veto on lending by the World Bank and the IMF. The Americans have yet to come to terms with losing the war in Vietnam. They want more cooperation in soldiers listed as missing in action. Finally, however, [words indistinct] embargo until a peace settlement has been reached in Cambodia. [passage indistinct]

Police To Crackdown on Dissident Students

BK0907033591 Bangkok THE NATION in English 9 Jul 91 p A 2

[Text] The Police Department yesterday pledged to take tough action against dissident Burmese students who have been protesting for recognition as refugees and accusing Thai authorities of harassing them.

Representatives of the Interior Ministry the National Intelligence Office, military, Immigration Division and police met for two hours yesterday to discuss measures to deal with the Burmese students who fled political suppression in their country.

About 350 Burmese students staged a sit-in at the ESCAP building on Ratchadamnoen Nok Avenue on Thursday to demand better welfare and protection from the United Nations.

The protesters called for the resumption of the refugee screening process and respect for refugee rights to guard against arrest and deportation by Thai authorities.

Their nine-point petition to the United Nations High commissioner for Refugees included a call for them to be repatriated to other countries "if we are not wanted here".

Earlier last week, nearly 40 Burmese students staged a defiant rally at the Immigration Division headquarters, challenging the police to arrest them. The protesters, who denounced the tough legal action taken by Thai authorities against their colleagues, were detained and charged with illegal entry.

Pol [Police] Maj Gen Chaisit Kamwanakit, deputy metropolitan police commissioner, told THE NATION after the meeting that participants considered the Burmese students' activities in Thailand improper.

"Their being here in the first place is not a right thing. Yet they create disturbances," the police official said.

He said Police Director General Sawat Amonwiwat instructed police to take stringent action against illegal activities by Burmese students.

Currently there are about 1,000 Burmese students in Thailand.

Chaisit said the Foreign Ministry would explain to the UNHCR that the tough Thai policy was necessary because the issue concerns Thailand's national security.

The deputy metropolitan police chief added that the Burmese students were also trying to win support from Thai student activists.

"They are trying to ally them themselves with Ramkhamhaeng students for example," he said.

Thai authorities, according to Chaisit, would strictly enforce immigration rules that impose legal penalties on Thais found guilty of assisting illegal immigrants.

Those who smuggled in refugees or gave assistance to illegal immigrants are subjected to a maximum 10 years in jail or a Bt100,000 fine. Those sheltering or helping immigrants evade police detection face a maximum five-year imprisonment.

Governor Plays Down Mekong Islands Row

BK0907010391 Bangkok BANGKOK POST in English 9 Jul 91 p 2

[Text] Chiang Rai—Governor Khamron Bunchoet said yesterday he does not know whether two disputed islands in the Mekong River at Chiang Saen District belong to Thailand or Laos.

Phakham and Mano islands, in the middle of the Mekong River border of Thailand and Laos, are bounded by Thailand's Chiang Rai Province on one side and Laos' Bokeo Province on the other.

Although people from Chiang Saen District say they have farmed the two islands for decades, it is still not clear whether they are part of Thai or Lao territory.

Thai businessmen and politicians have asked Laos for permission to set up a casino and resort on the two islands.

The request, made early this year, reportedly sparked a disptue between Thai and Lao villagers over who had the right to the islands, which are 100 metres from the Thai side of the river.

Asked whether the islands are in Thailand or in Laos, Mr Khamron said the matter is for the national government to decide.

He said Thai people have used the islands for generations, but "I personally think the Lao people can also use the islands."

Mr Khamron was optimistic that the dispute would not escalate. "It is only a tambon or village-level problem," he said, adding that Thailand and Laos have better relations now.

He did not believe that local businessmen and politicians had urged Laos to claim ownership of the islands so that they could get permission to set up the casino and a resort.

Mr Khamron, who was appointed governor of Chiang Rai six months ago, did not think the islands could be used for a resort or a casino, because they become flooded during the rainy season.

In this northern province, the Interior Ministry has opened two border crossings, at Chiang Saen and Chiang Khong districts.

But a provincial official, who declined to be identified, accused local businessmen and politicians of destroying the peaceful co-existence between Thai and Lao people out of greed.

However, he believed local authorities would be able to reach a settlement because Laos relies on Thailand for necessities.

Speaker of Cambodian Assembly To Stop Over

BK0907022791 Bangkok THE NATION in English 9 Jul 91 p A 2

[Excerpt] Speaker of the Cambodian National Assembly Chea Sim, thought to be the most powerful man in the Phnom Penh government, is scheduled to arrive here on Saturday on his way to Japan, an informed source said.

Chea Sim will stop over at Don Muang Airport for a few hours before flying to Tokyo for a four-day visit at the invitation of Michio Watanabe, a well-known Diet member from the Liberal Democratic Party (LDP) of Japan, to exchange views on Cambodia.

As the Cambodian peace process makes headway, an increasing number of Phnom Penh leaders are making foreign visits. The Tokyo visit will be Chea Sim's second trip outside of the region. He visited France early this year to discuss bilateral relations.

Phnom Penh Defense Minister Tie Banh will also visit Britain this month, according to the source.

In recent months, Chea Sim has had a number of meetings with senior Western officials, including Lorne Craner, the US deputy assistant secretary of state for legislative affairs.

The source said Chea Sim's foreign trip would boost his image in the international community. In comparison with Prime Minister Hun Sen, the 63-year old Chea Sim has much less international exposure. He is thought to be a devout Buddhist and a Khmer nationalist.

There have been frequent reports that Chea Sim and Hun Sen do not see eye-to-eye on ways to end the Cambodian war. Hun Sen, who stepped down as foreign minister last year, was criticized inside Cambodia as bending too much to international pressure.

Both leaders have repeatedly denied that there is a rift between them. [passage omitted]

Union Confederation Plans No Sanctions

BK0407024891 Bangkok BANGKOK POST in English 4 Jul 91 p 2

[Text] The International Confederation of Free Trade Unions [ICFTU] understands the Government's views better and will not impose sanctions over the disbanding of state enterprise unions, Foreign Minister Asa Sarasin said yesterday.

Mr Asa said the Foreign Ministry has cooperated with the Labour Department and Interior Ministry in explaining to the ICFTU that state enterprise employees can still make demands or bargain for some privileges or rights to set up private associations.

The ICFTU will not impose sanctions against Thailand just because state enterprise employees cannot make demands through unions, according to the minister.

"We have explained this and they understand better. We have to make a bit more effort in this, however."

ICFTU representatives have met Deputy Prime Minister Michai Ruchuphan, who explained the disbanding of state unions and the banning of strikes by state enterprise workers.

But Mr Asa said some ICFTU members might try not to understand at all. He did not elaborate.

Labor Department Bans ICFTU Meeting

BK0407024691 Bangkok THE NATION in English 4 Jul 91 pp A1, A2

[Text] The Labor Department yesterday banned a technical meeting organized by the International Confederation of Free Trade Unions (ICFTU) scheduled to open here today apparently in response to an alleged threat by the organization to impose trade sanctions on Thailand, labour sources said.

However, the sources said it was still uncertain whether the department would consider lifting the ban after negotiations between senior labor officials and Lim Tan San, a director of the ICFTU's Asia and Pacific regional office, at the department this morning.

"The organizers were told by Labor Department officials that the order was issued at the instruction of the interior minister," one of the sources said.

The order followed an angry reaction by Interior Minister Itsaraphong Nunphakdi who on Tuesday criticized the international labor organization for interfering in Thailand's internal affairs.

The ICFTU has accused the Thai Government of violating basic human rights when it disbanded state enterprise unions and outlawed industrial actions by state enterprise employees in April. The organization has on several occasions threatened to impose retaliatory measures, including refusal to handle cargo originating in Thailand by its member unions.

Labor Department and ICFTU officials contacted by THE NATION declined to comment on the supposed ban as they were expected to discuss the issue at the Labor Department this morning.

According to the sources, the Labor Department banned the ICFTU technical seminar because of failure by the organization to apply for permission to hold a meeting through proper channels.

An official of an international organization involved in labor affairs said: "It would be very sad and very counterproductive if the Thai Government actually banned the meeting, which is purely technical in nature."

Labor Movement Threatens 'Major Demonstration'

BK0807020191 Bangkok THE NATION in English 8 Jul 91 pp A 1, A 2

[Text] The labour movement said yesterday the government would be given until Friday to solve the mystery of the disappearance of labour leader Thanong Pho-an or face a major demonstration.

The ultimatum came amid rising concern that Thanong's case might be politically manipulated or accidentally trigger turmoil that could disrupt the next general election.

About 30 labour leaders who met at the headquarters of export trade unionists in Rat Burana district yesterday to discuss ways of pressuring the government to speed up the search for Thanong said their campaign would be supported by student activists.

"A major demonstration will absolutely take place if the government cannot locate Thanong (by Friday)," said Suchin Phetrot, who represents unionists in the four major industrial areas surrounding Bangkok.

The labour leaders' four-hour meeting ended with the conclusion that Thanong's disappearance on June 19 was connected to national politics.

"After going through all the information we have, we believe politics is (behind it)," said Piyachet Khlaeokhlat, who chaired the meeting.

Piyachet said that after the Feb 23 coup, Thanong played an aggressive role that might have disturbed those in power.

Soon before his car was found abandoned near his workplace, Thanong said authorities had blocked his plans to attend an International Confederation of Free Trade Unions meeting in Geneva out of fear that he would lobby for international denunciation of the dissolution of state enterprise unions in Thailand.

"After the coup d'etat, Thanong took a very aggressive stand regarding the state enterprise affair," said Piyachet.

"Moreover, we have reliable information that it is a case of kidnapping," he added.

Government, military and police leaders have strongly denied speculation that Thanong had been "abducted", and pointed at the possibility of him going into hiding because of personal problems.

Thanong's wife, Ratchanibun, who attended yesterday's meeting with a big portrait of Thanong in an apparent gesture of mourning, ruled out family or financial problems as the cause.

"He is impotent," said Ratchanibun, responding to speculation that Thanong was staying with a mistress. She earlier told reporters that she had been prepared for the worst—the possibility that Thanong is already dead.

Piyachet said the labour movement would submit a letter to Prime Minister Anan Panyarachun tomorrow to ask the government to "clarify" the mystery.

"We want an answer by July 12," he said.

Piyachet noted that the Police Department last week promised "good news" soon about Thanong's whereabouts.

Before yesterday's meeting, funeral wreaths bearing Thanong's name and those of six other labour leaders were placed at the export union headquarters. A sign said without elaboration that the seven were marked for death.

Suchin acknowledged that Thanong's case could easily turn into a political time-bomb.

Suchin said a Cabinet member had accused the labour movement of politicizing Thanong's disappearance with the ultimate goal of sabotaging the general election.

Thanong was known to be close to former prime minister Chatchai Chunhawan before the latter was toppled in the Feb 23 coup.

"With Thailand in a crucial post-coup transition period, Thanong's disappearance is no good at all for the country's development," NAEO NA newspaper said in a special article yesterday.

Supreme Commander on Labor Leader's Disappearance

BK0907030191 Bangkok THE NATION in English 9 Jul 91 p A 1

[Excerpt] Supreme Commander Gen Sunthon Kongsomphong yesterday strongly denied that the National Peacekeeping Council was behind the mysterious disappearance of labour leader Thanong Pho-an.

He also warned the labour movement against creating disturbances by sensationalizing Thanong's case.

"The disappearance of Thanong is purely personal," he said. "There is no politics involved. If somebody tries to create turmoil out of this, we (the military) will take steps to prevent that," Sunthon said.

Sunthon was talking to reporters in his first public appearance since the ballyhoo about two weeks ago over the legal feud between his two wives. Sunthon, who came back from Malaysia on Sunday, yesterday attended a farewell party for US Ambassador Daniel O'Donahue who is going to complete his term soon.

Sunthon said he believed that Thanong was still alive.

"He is trying to hide himself although we are looking for him," Sunthon said.

He was responding to some labour leaders' statement that Thanong's disappearance was related to politics. The labours leaders said Thanong had strongly attacked the military before disappearing. [passage omitted]

Exploitation To Be Curbed by Labor Department

BK0807012591 Bangkok BANGKOK POST in English 8 Jul 91 p 3

[Text] The Labour Department is to take stricter action against the exploitation of women and child labourers to silence an international call for the removal of Thailand's Generalised System of Preferences [GSP] privileges, the department's Director-General Prasong Rananan said yesterday.

Mr Prasong said that last year the International Confederation of Free Trade Unions [ICFTU] had called for Thailand's GSP to be slashed over the exploitation of women and child labourers.

The Interior Ministry last week denied the ICFTU permission to hold a meeting in Bangkok in an apparent effort to prevent retaliation until the Labour Department can take stricter action against the exploitation of labour.

The department has only 19 officials directly in charge of the issue but can call on another 100 officials from the labour protection division and the police to enforce the law, Prasong said.

The Thai labour director general said the International Labour Organisation had frequently charged that Thailand does not look after its women and child labourers.

Mr Prasong said he denied this charge by pointing out that the department had done everything it could to improve their welfare, including setting up welfare centres and nurseries at work sites.

Facilities have so far been established at 23 work sites.

There are currently 4.5 million women working in industrial, commerce and service sectors, and about 100,000 children between the ages of 13 and 15 in the labour force.

Children are not allowed to work more than 8 hours a day and must have at least one day off a week, as well as yearly holiday and welfare benefits.

They are also barred from being employed in the metal, chemical and fuel industries.

Mr Prasong said that there are still poor parents and legal guardians selling their children to employers through job placement agencies.

However, the department is trying to suppress these activities, he said.

Some job agencies also try to lure women and children from transport stations in Bangkok such as Hua Lamphong train station and Mor Chit bus station, Mr Prasong said.

Party Leader Warns National Peacekeeping Council

BK0907024191 Bangkok THE NATION in English 9 Jul 91 p A 1

[Excerpt] New Aspiration Party leader Gen Chawalit Yongchaiyut last night warned that the National Peacekeeping Council [NPKC] would be toppled by the people unless it held a general election "soon enough".

The ex-army chief made his most outspoken remark against the NPKC yet during a speech to more than 1,500 supporters, including prominent public figures and leading business people, who packed the Bangkok Convention Room of the Central Plaza Hotel at a fund-rasing event for his New Aspiration Party last night.

He said if the NPKC continued to stay on in power too long, its leaders would eventually find it impossible to give up their authority.

Chawalit warned that those who seized power in the past had tried to impose their version of democracy on the country instead of holding early elections and most of them ended up being ousted by the people.

He said the NPKC was now the target of criticism as the country was at the crossroads between continuing the previous "vicious circle" of elected governments toppled in coups and a new path that would permanently establish democracy. He did not elaborate, but claimed that his party represented the second option.

Chawalit voiced opposition to NPKC trying to maintain its influence through the newly-established Samakkhitham Party (Justice Unity), which has been seen as a vehicle to bring military leaders to civilian power.

However, he apparently contradicted himself when he proposed some advice for the NPKC: the council should convert itself into a full-fledged political party by establishing connections with people in various occupations. He did not elaborate.

He did say that unless the NPKC broke the "vicious" political circle, its justification for staging the coup to check what it called a "parliamentary dictatorship" would be meaningless.

Chawalit quoted His Majesty the King when he advised the NPKC leaders that it should not "disappoint the people" after the Feb 23 coup.

The former army leader said "many people" still did not understand that an election could be held even if the new Constitution had not yet been drafted or promulgated.

Chawalit said he did not believe that the military would "return to the barracks" after the election, suggesting that it would continue to meddle in politics. [passage omitted]

Ex-Secretary General on Political Role of Army

BK0907014991 Bangkok BANGKOK POST in English 9 Jul 91 p 3

[Excerpt] A majority of the Armed Forces are alarmed by some officers' attempts to involve the entire military in politics, a key member of the New Aspiration Party (NAP) said yesterday.

Sqn-Ldr [Squadron Leader] Prasong Sunsiri said some retired officers were attempting to involve the Armed Forces in politics with claims that certain political parties had the Armed Forces' backing.

He was apparently referring to the pro-military Samakkhi Tham Party (STP), which has voiced support for Army Commander-in-Chief Gen Suchinda Khraprayun to be the next prime minister.

One of the STP key founders is Wing Commander Thitti Nakhonthap, a retired Air Froce officer and close confidant of Air Force Commander-in-Chief Kaset Rotchananin. Both ACM Kaset and Gen Suchinda are deputy leaders of the National Peace-keeping Council [NPKC].

With alleged strong ties to the military, the party is emerging as an arch rival of the NAP to become the core of the next government following a general election. The STP has reportedly been able to recruit a number of former MPs from other political parties.

Sqn-Ldr Prasong speaking at a panel discussion on "The Anan Administration through Its Half Way: Is the People's Hope Fulfilled?", said any individual's claims of military backing should be dismissed.

The Armed Forces, he said, are keeping a close watch on certain individuals to see how damaging their actions would be to the Armed Forces.

"I have a lot of my former students in all branches of the Armed Forces. So I dare say that the Armed Forces are monitoring such political developments to see what damage they do," he said.

He said the Armed Forces did not want to interfere in politics, but some retired officers were doing just that.

Most officers had no political ambition and wanted the country to have stability and progress, he said.

"They would not step over the proper boundaries. If that happened, it would have to be the doings of very few individuals," he said.

Sqn-Ldr Prasong said the NPKC and the Armed Forces should not be seen as identical.

Officers with no political ambition, as well as politicians, students, workers and other members of the public, were opposed to the NPKC's domination, he said.

The NPKC had squashed democracy by installing several bodies after the February 23 coup, namely the Anan Panyarachun administration, the National Legislative Assembly, the Assets Examination Committee and the Constitutional Drafting Committee, he said.

Sqn-Ldr Prasong said he believed guidelines or blueprints for the new constitution would eventually come out from the NPKC once the National Legislative Assembly started its deliberation of the draft constitution.

The Anan administration was also running the country under the NPKC's directions so it could hardly say or do anything to promote democracy, he said.

"But I would like to see Mr Anan decorated for his courage for accepting the job and for working with guns pointed at him," he said. [passage omitted]

Panelists Criticize Government's Performance

BK0907031191 Bangkok THE NATION in English 9 Jul 91 p A 4

[Text] The four-month-old caretaker government has done fairly well for middle-class people, but it should pay much more attention to the poor, participants at a political discussion said yesterday.

More "transparency" is also needed to ensure accountability of this military-installed government, some said during the discussion organized by Thammasat University's Economics Association and MATICHON daily.

One participant, Dr Sombat Thamrongthanyawong of the National Institute of Development Administration (NIDA) said the government's economic policies, inspired by free-market principles, would benefit only the middle-class while the consequences of the policies may even negatively affect farmers who constitute the majority at the grassroots.

Another participant, Dr Niphon Phaophongsakon of Thammasat University, however, said that experience has shown that in most cases attempts to intervene or by-pass market forces, such as the imposition of price controls, have only made matters worse. Intervention is needed in some special cases such as to ensure equal opportunities in education, Niphon said.

The government's weakness lies in its lack of political legitimacy and its inability to understand the problems of the poor, Niphon said. Its strength is that it consists of able people who do not have to compromise the vested interests of a coalition of political parties, he went on.

While the government has been good at taking decisions, it has failed in the more important task of laying the foundations for a good decision-making process in the future, Niphon said.

This, he suggested, would require new regulations or laws to ensure the public disclosure of information on projects in order to enable public participation in decision-making, the establishment of a well-qualified agency to assess proposals, the establishment of a proper public-hearing system for important decisions, and full disclosure of decision criteria and other information when the government has to maintain monopolies.

Niphon, a specialist in labour economics, also accused the government of trying to weaken the entire workers' movement by scrapping state enterprise unions which he described as the most influential in lobbying for increases in the minimum wage and on other issues.

Some panelists, such as Chulalongkon law lecturer Sutham Yunaitham, said that because of the need to make quick decisions within its short term of office, this government lacks "transparency". Niphon, however, used the word to describe the elected Chatchai government.

Thammasat University economist Choemsak Pinthong praised the government for adopting better policies in forest land-use, liberalizing pork slaughterhouses, and dealing with the environment.

On the negative side, Choemsak said, were the "surreptitious" increase in rubber export tax on July 1, which depresses domestic prices; the proposal to set up an agricultural council under the domination of the bureaucracy; the abolition of auctioning for tapioca export quotas, representing a financial hand-out to exporters; the proposal to allow imports of "dumped" milk powder from the European Community; and the rationing of irrigation water in order to flush out pollution in the Chao Phya River and to generate electricity.

Dr Prasan Trairatworakun of the Bank of Thailand outlined the liberalization of the country's financial system, which he said began long before the appointment of the Anan government, and will have to continue long after. He said the measures—such as relaxation in exchange control and freer floating interest rates—are designed to improve the well-being of everyone in the country, both rich and poor, by improving the stability of the monetary system and by increasing domestic savings in order to reduce the country's dependency on foreign capital.

Sutham said: "This is like a 'cowboy government', rushing to complete its task at the expense of accountability and transparency".

He said the Feb 23 coup that toppled the elected Chatchai government and installed Anan enabled the bureaucracy to "strike back".

"In free-economy countries, the bureacracy should be as small as possible," Sutham said.

Two Former MP's Criticize New Electoral System

BK0907013191 Bangkok BANGKOK POST in English 9 Jul 91 p 2

[Text] A new electoral system based on province-wide teams and not individual candidates would destroy democracy and create a power base for the National Peace-keeping Council [NPKC], former MP Chaturon Chaisaeng charged yesterday.

Chaturon, now with the New Aspiration Party, said that Samakkhi Tham founder Thitti Nakhonthap, whose party expressed support for NPKC leader Gen Suchinda Khraprayun to be the next prime minister, has been telling former MPs that this is the system preferred by the Army and the Air Force.

The National Legislative Assembly [NLA], with about 100 members from the Air Force and slightly more from the Army, will amend the charter to establish the electoral system, Thitti supposedly told former MPs.

Mr Chaturon said that if this is true, it would destroy the democratic system. If it was not true, it would be just a ploy to fool former MPs into joining Samakkhi Tham.

A lot of former senior MPs have joined the party, and it will win a lot of seats in the North and take scattered seats in other regions.

He said that this, together with the Interior Ministry teams supposed to be teaching democracy in all villages, would lay a "foundation of power" for the NPKC because Interior Minister Gen Itsaraphong Nunphakdi is NPKC secretary-general.

The teams could promote political parties that back the NPKC, Chaturon said.

The former MP for Chachoengsao proposed that Prime Minister Anan Panyarachun put a neutral committee in charge of organising the general elections, rather than leaving it to the Interior Ministry.

Chaturon also called for a nine-member Constitution Committee to be appointed after the elections, not before. Otherwise, the NLA would have to appoint the panel, which is the same as the NPKC appointing it, he said.

"All this would be equivalent to laying a power base for the NPKC. The constitution drafting committee is already doing this, and the asset examination committee is a political bargaining tool," Chaturon charged.

He said that if the electoral system was provincial-wide teams, then different teams would agree to share seats. All they would need is a popular leader. MPs would not have to take responsibility or answer to the people if not directly elected. The government may be more stable but it would not have popular approval, Chaturon said.

Former Solidarity MP for Nakhon Si Thammarat Chamni Sakset also objected to the proposed electoral system.

Under the old system, people could vote for the party or for individuals. Under the proposed system, all candidates on a team will have the same number.

Powerful crime bosses could use their influence to get elected and competition would be more violent in an all-or-nothing situation.

Chamni, who has proposed a democratic alliance of politicians, said he would meet with Phalang Tham leader Chamlong Simuang to explain his idea for a loose association to back democracy. He would also seek talks with New Aspiration Party members on joining the alliance.

Chamni said that other parties may not feel free to join because their leaders are being investigated by the assets committee, and they may feel they have to try to please the NPKC.

Vietnam

U.S. Congressmen Urge Lifting of Embargo

BK0807135291 Hanoi Voice of Vietnam in English 1000 GMT 8 Jul 91

[Station commentary]

[Text] Last week the U.S. Congress held a testimony on the lifting of trade embargo against Vietnam which has captured attention of the American public. Here is our radio's comment:

For a long time, the U.S. trade embargo against Vietnam has been a concern of political circles and the press in this country. The U.S. Congress often discusses this problem, but its last week's testimony really captured public attention because the American people, especially American businessmen, are no longer sitting patiently to see other countries entering the Vietnamese market. They announced they are empty-handed in doing business with Vietnam, which is termed by the world businessmen as an untapped and new potential land. Therefore, at the testimony U.S. senators urged the Bush administration to lift the trade embargo against Vietnam. They said that the White House should first of all lift the embargo partially in such fields like airline, telephone, and exchange of non-strategic goods with Vietnam.

President of the Subcommittee for Trade and External Economic Policy of the U.S. Congress, Mr. Gejdenson, [title as published] said the current embargo against Vietnam is no longer suitable. All U.S. partners are present in Vietnam while the American companies are not and have to suffer losses. Senator Murkowski frankly said that refusing trade relations with Vietnam is narrow-minded and vengeful. Mr. Murkowski is one of the U.S. senators who have more than once criticized the U.S. trade embargo against Vietnam. He was not pleased when the White House changed the conditions for the lifting of the embargo. Late last month he openly expressed his standpoint on this issue. He said: First, the U.S. demanded that Vietnam withdraw its troops from Cambodia. When Vietnam completed the troop withdrawal, the U.S. again demanded her to bring about a solution to the Cambodian issue. And now the U.S. is threateningly silent at the public demand for the lifting of the trade embargo against Vietnam. According to THE WASHINGTON POST, so far the White House has paid no heed to this demand of Mr. Murkowski. [Mary] McGrory, a commentator of the paper said on 25 June that President Bush openly opposes the Vietnam syndrome, but his embargo makes it unforgettable.

At the testimony, the tendency for the lifting of the embargo prevailed. Even the people opposed to the lifting of the embargo showed their hesitation. They held that the U.S. should partially lift the embargo against Vietnam. This demand has been welcomed by the American public who are waiting for the new decision of the White House on the embargo. It is hoped that the Bush administration will have decisions conforming to the aspiration of the American people as well as the political circles—that is, to lift the trade embargo against Vietnam.

Commentary on Cambodian, Laotian Relations

BK0807024991 Bangkok THE NATION in English 8 Jul p A 12

[Kavi Chongkittaworn reports from Hanoi]

[Text] When Cambodian President Heng Samrin took the podium to address the opening session of the Vietnamese Communist Party's Seventh Congress on June 24, little did he know that his speech would be scrutinized carefully by Vietnam's top party leaders.

A new member of the Central Committee, who asked not to be identified, said that Heng Samrin's speech lacked the usual stress on "fraternal solidarity", which had featured prominently in his earlier addresses.

The observation was shared by other delegates who felt that the Cambodian leader had not given enough weight to Vietnam's past assistance and sacrifice in liberating Cambodia from the Khmer Rouge and in developing the country's current military and political administration.

In contrast, the delegate noted that the speech by the Laotian leader, Kaysone Phomvihan, was more enthusiastic about Vietnam's friendship.

"Laos is more grateful to Vietnam than Cambodia," said one of the 1,176 delegates who listened to Kaysone.

Judging by their comments, Kaysone's speech was more forceful and straightforward while Heng Samrin's remarks sounded unenthusiastic and too formal. Kaysone reiterated that even though Vietnam had faced difficulties of its own in the 16 years since its reunification, the country continued to give Laos "considerable" assistance in all fields.

"In time of difficulty our Vietnamese comrades were always the first to come to our help, providing timely assistance in a lofty spirit of self-sacrifice demonstrated only by closest brothers and comrades-in-arms," Kaysone said.

In his speech, Heng Samrin referred to the gains of the past years as the outcome of "the great exertion of Cambodia's own forces under the leadership of the People's Revolutionary Party of Kampuchea."

When he wanted to express gratitude to Vietnam, he did it by referring to the general support and assistance of "our brothers and friends, near and far, first of all, the parties, the governments and the peoples of Vietnam, Laos and the Soviet Union."

From Vietnam's viewpoint, its influence over Phnom Penh has slowly evaporated since its troop withdrawal from Cambodia in 1989.

Heng Samrin's bland speech was part of increasingly visible signs of cooling down in the Vietnamese-Cambodian relations due to new developments within the two countries themselves as well as in the Cambodian conflict.

However, the most crucial factor is the growing recognition of Phnom Penh from the international community.

Long before Cambodia's Supreme National Council began to operate, some Western countries were maintaining quasi-diplomatic presences in Phnom Penh. With its future international standing at stake, Phnom Penh will doubtlessly continue to use "permanent neutrality" to gain further backing from Western countries by demonstrating independent thinking and policy to the maximum it can.

During his visit here last month, Japanese Foreign Minister Taro Nagayama reportedly urged Vietnam to pressure Phnom Penh to be more flexible about the Cambodian peace process. His Vietnamese counterpart, Nguyen Co Thach, reportedly replied that Vietnam could never do that because Cambodia was a sovereign nation.

Later on, Phnom Penh Prime Minister Hun Sen took Nagayama to task when they met in Ho Chi Minh City, asking whether Tokyo had asked Vietnam to pressure Cambodia. Nagayama denied it. Hun Sen later told a press conference that Japan had made no such request.

Doubtless, Hanoi and Phnom Penh leaders are getting irked by the diplomatic assumption that Vietnam could continue to pressure Cambodia. The two sides are now immediately seeking clarification about any ambiguous statement concerning their relationship.

In the past, the terms, "special relationship", "militant solidarity" and "strategic alliance" were used to describe relations Vietnam had with Cambodia and Laos. Phnom Penh stopped using these terms after it declared its neutrality and nullified the 1979 treaty of friendship and amity with Vietnam.

Added to the above trends is the growing Cambodian suspicion about Vietnam's motives in befriending China.

The Sino-Vietnamese summit held secretly in Chengdu last September came as a big surprise to the Phnom Penh leaders. The summit prompted the Cambodians to look to the Chinese for the first time, and instead of trying to guess what the Vietnamese leaders were up to, the Cambodians initiated their own contacts with Beijing.

Barely a week after the Chengdu meeting, a Cambodian delegate met with a Chinese diplomat in Jakarta during the Cambodian peace talks there in September. Then, a week later in Bangkok, Phnom Penh Vice Foreign Minister Sok An met with Chinese diplomats at the Chinese Embassy.

The two meetings were followed by repeated overtures by Foreign Minister Hor Namhong to China for better relations to help end the Cambodian conflict. In the meantime, Chinese officials have had contacts with Phnom Penh both in and outside the country. The latest round was in Vientiane at the end of March when both the Chinese and Cambodian delegations attended the Laotian Communist Party's Fifth Party Congress

Hun Sen now plans to visit Beijing on July 16-17 to attend a meeting of the Supreme National Council before going on to visit Prince Norodom Sihanouk at his home in Pyongyang, North Korea. Hun Sen's stopover in Beijing was an outcome of Phnom Penh's efforts to discuss the Cambodian conflict directly with China—a process which began less than a year ago.

A diplomat from a socialist country said the Beijing trip capped Phnom Penh's longtime efforts to obtain recognition from China, increasing Phnom Penh's legitimacy and bargaining position. In many ways, Phnom Penh has made more progress in its relations with China than Vietnam, as Hanoi is still unable to normalize ties with its northern neighbour.

In addition, Vietnam's attitude toward Cambodia has much to do with its current status. Hanoi is facing difficulties in developing relations with the West and other countries in Southeast Asia due to the Cambodian war.

But as the peace process sees progress that involves the Cambodian parties coming closer together, Vietnam's influence will fade. As far as Vietnam is concerned now, it is better to leave the Cambodians alone as Hanoi pursues a more active foreign policy to befriend the West.

For instance, in the past Vietnam used to oppose proposals for Cambodia which would supplant the Phnom Penh government. However, Vietnam has now accepted a UN-sponsored peace plan for a comprehensive political settlement that implies just that.

Vietnamese leaders think that an internationally-sanctioned agreement in Cambodia would make it easier for Vietnam to achieve its foreign policy goals, bring in more foreign investment and increase trade.

Finally, Phnom Penh and its arch-rival, the Khmer Rouge, are moving towards patching up some of their differences. At the Phattaya meeting of the Supreme National Council last month, the Khmer Rouge suddenly became more cooperative. Hun Sen and Khmer Rouge leader Khieu Samphan also did not trade accusations or engage in mudslinging as they used to do.

Though Vietnam's political influence over Cambodia is waning, its military influence is a different matter. One diplomat noted that Vietnam's military power remains substantial though it is not as dominant as it used to be. Though its troop pullout brought a weakening of the overall Vietnamese advisory structure, Phnom Penh's military machine is still dependent on Vietnam.

Analysts are of the opinion that only peace in Cambodia and the absence of a strong Khmer Rouge threat, with China's assistance, could further weaken the military links between Vietnam and Phnom Penh, making Cambodia a truly neutral and independent country.

NHAN DAN Supports Korean Reunification Plan

BK0907071991 Hanoi VNA in English 0615 GMT 9 Jul 91

[Text] Hanoi VNA July 9—The national daily NHAN DAN today voices the Vietnamese people's strong support for the fair, reasonable proposals advanced by the Workers Party of Korea and the Government of the Democratic People's Republic of Korea (DPRK) for easing tensions and achieving peaceful reunification of Korea.

NHAN DAN goes on:

"It is public knowledge that the DPRK Government has repeatedly put forth initiatives and taken drastic measures aimed at improving the situation, reducing confrontation and creating a favourable climate for arriving at peaceful national reunification. The world public welcomes and highly values all fair and reasonable proposals and solutions to that end put forth by the DPRK, namely a plan to apply for United Nations membership, the control of nuclear facilities, the signing of an agreement on non-aggression between the north and the south, disarmament, the withdrawal of U.S. troops and nuclear arms from South Korea, and the establishment of a democratic Confederal Republic of Koryo."

"These proposals aimed at making a breakthough and removing obstacles on the road toward a peaceful national reunification have testified to the willingness and flexible, constructive attitude of the DPRK in order to meet the ardent aspiration of the Korean people," the paper stresses, adding: "In that sense, the DPRK has stepped up its contacts with the United States to settle the MIA issue, the question of security and unification of Korea as well as other problems between the two countries."

In conclusion, NHAN DAN says: "Together with other peace-loving peoples in Asia and the world at large, the Vietnamese people fully support the just struggle of the Korean people for peaceful national reunification."

Conference Held on Tax Law Dissemination

BK0907045791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 4 Jul 91

[Text] This morning in Hanoi, three ministries, those of finance; justice; and culture, information, sports, and tourism, jointly held a news conference to evaluate the work of disseminating the tax laws through newspapers, radio, and television at the central and local levels.

Comrades Ho Te, deputy minister; Phan Van Tinh, deputy minister of finance and commissioner of the Vietnam Taxation Office; and representatives of the ministries of Justice and Culture, Information, Sports, and Tourism gave speeches confirming that in the last nine months the mass media had closely followed changes in the tax laws to disseminate these quickly and concurrently to the public at large. In particular ,the Central Ideological and Cultural Department; the Ministry of Culture, Information, Sports, and Tourism; the Ministry of Justice; and the Ministry of Finance had jointly formed a 1991 information plan on the tax laws and had issued instructions on how to implement the plan through the mass media.

Thanks to an efficient implementation of this work from the outset, the press agencies have actively contributed to motivating the public, and taxation cadres have created favorable conditions for better implementation of tax regulations and speeding up tax collection for the national budget.

The conference also suggested rewards for the work of dissemination of the tax laws to some organizations as follows:

First Grade: NHAN DAN, QUAN DOI NHAN DAN, Voice of Vietnam Radio Station, and the Vietnam Television Station.

Second Grade: HANOI MOI; the Hanoi Radio and Television Station; and newspapers: LAO DONG, PHAP LUAT, PHAT LUAT HO CHI MINH CITY, THUONG MAI, and HAIPHONG.

Athletes Selected To Participate in Sea Games

BK0807114191 Hanoi VNA in English 0555 GMT 8 Jul 91

[Text] Hanoi VNA July 8—Vietnam has decided to send 83 athletes to the 16th Sea Games to be held in the Philippines late this year.

Besides five free-style wrestlers invited by the Sea Games organizing committee, 4 athletes will compete in track-and-field, 4 in boxing, 3 in judo (one female), 4 in Tae Kwan Do (one female), 8 in table tennis, 2 in badminton (one female), 15 in shooting, 6 in gymnastics (all female), 3 in swimming (one female), 18 in football, 10 in volleyball, and [number indistinct] in court tennis.

Kien Giang Installs Television Receiving Station

BK0907040091 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 8 Jul 91

[Text] At a cost of 35 million dong, the Kien Giang Province Radio and Television Station has successfully installed a direct receiving system from the Vietnam television station.

This is the first station installed in the Mekong River Delta, gradually implementing the radio and television transmitting plan in the whole country, especially to remote areas.

Together with the local programs, cadres, people, and armed forces in the area will be able to watch the Vietnam television station programs.

The station was put into service in time for the seventh national party congress.

Australia

Satellite Station To Be Installed in Kazakhstan

BK0907044491 Melbourne Radio Australia in English 0230 GMT 8 Jul 91

[From the "Communicator" program with Paul Barley]

[Excerpt] Australia's efforts to develop successful high technology export industries took another step forward last week with a telecommunications agreement being struck with the Soviet republic of Kazakhstan.

Australia's overseas telecommunications carrier, OTC [Overseas Telecommunications Commission], will provide equipment and training to Kazakhstan. They regard the deal as significant because it opens the door for the potentially lucrative Eastern European market. OTC and the monopoly domestic communictions carrier, Telecom, are soon to be merged as part of the government's deregulation of telecommunications in Australia.

OTC has already developed a post-merger business plan aimed at capturing new export markets and capitalizing on its existing presence in the Asia-Pacific region. OTC's public affairs manager, John Stanton, outlines here what the latest deal with Kazakhstan entails:

[Begin recording] [Stanton] What we will do actually, Paul, is to install the 7.5 meter satellite earth station in Kazakhstan—in the capital, Alma Ata—and in that way we will provide the republic with access to the Intelsat satellite system and we will be connecting their international telephone and facimile traffic to the world from Australia.

[Barley] What is the state of the telecommunications in Kazakhstan at present? Is it quite primitive?

[Stanton] They operate on the Soviet Intersputnik system for their international circuits. At the moment they have only eight circuits to service 17 million people. So, people we are told have had to wait up to 4 days at times to connect an international call. So, they will certainly notice an improvement with the Intelsat system.

[Barley] What is the timeline for the project as far as OTC is concerned?

[Stanton] We have to move quickly because the Soviet winter is fast approaching. We are hoping to get equipment in and installed before too much later this year. Things start to get fairly cold and grim from October on up there.

[Barley] And when would you envisage completing the project?

[Stanton] The contract that was signed covers a five-year period and obviously we want to be up and running before the end of this year. There is five years envisaged there, but there is also significant potential to ramp up, to upgrade the project during its lifetime, that is, to provide even more capacity as demand increases and also things like exhanges and switching equipment.

[Barley] How much is the deal worth for OTC?

[Stanton] The worth of the deal depends, I suppose, on to what extent it is upgraded during its lifetime and to what extent the demand grows and the traffic grows to the republic. Certainly, even in its very small initial stage, we think it will be worth more than $10 million.

[Barley] Well, the Soviet Union is a massive country, with, I suppose, almost unlimited potential for expansion and upgrading of telecommunications. Is OTC viewing this deal with Kazakhstan as a foot in the door to a potentially huge market?

[Stanton] We would certainly like to think so. When we went into Vietnam a couple of years ago, the success of the deals that we did there led to us also winning very significant business in Laos and Cambodia. We are hopeful that the same sort of thing might happen in the USSR as the republics surrounding Kazakhstan see the system at work and perhaps want to talk to us about what we can do for them. So, yes, we think that there is enormous potential there.

[Barley] Is the improvement of its telecommunications infrastructure something that the Soviets see as a key to improving their economic performance?

[Stanton] I think a lot of the republics recognize that one of the key drivers for economic development and sustained economic performance must be a good, efficient, and cost effective communications system. I think, like many countries, they realize that if you are not at the forefront in that part of your infrastructure it is very difficult for the rest of the economy.

[Barley] With many of the Soviet republics seeking to break away from the union and becoming independent, is there any danger that Kazakhstan could prove to be a politically unstable place for OTC to be doing business in?

[Stanton] Certainly there is no evidence at all to suggest that is the case. It is a very progressive and stable republic and it has a very good relationship with Moscow at the moment. So, we do not have any fears on that front.

[Barley] Just moving away from the Kazakhstan deal, has the OTC now officially merged with Telecom Australia?

[Stanton] No, not yet although we are working very cooperatively with the Telecom in a leadup to the merger. The minister, Mr. Beazley, said recently that he expected the merger to take place before the end of March in 1992.

[Barley] Where does OTC and Telecom as a merged entity see its future lying in terms of export markets? I know traditionally you have been reasonably successful in the Asia-Pacific market. Are you now looking at Eastern Europe as a potentially lucrative market place as well?

[Stanton] Well, there is no doubt that there are opportunities in Eastern Europe and I am sure that the merged entity, if it sees able to exploit them, we will all run very hard at them. We have concentrated on the Asia-Pacific region; it is the region we know best and we are still in the process of consolidating in that region, I guess. It is also—the Asia-Pacific—a region that is going to experience an enormous growth in the next 10 years or so. Indeed, it is growing very strongly already. I guess it is fair to say that Telecom and OTC, when they come together, will form a more potent force and we will be certainly looking to ramp up the export performance. Eastern Europe is certainly one area where some of the growth might come from. [passage omitted] [end recording]

New Zealand

Revenue Minister To Attend French Celebration

BK0907063491 Hong Kong AFP in English 0605 GMT 9 Jul 91

[Text] Wellington, July 9 (AFP)—New Zealand will send its lowest-ranking cabinet minister to a French Embassy celebration on Bastille Day Sunday, Foreign Minister Don McKinnon said Tuesday.

The decision to send Revenue Minister Wyatt Creech follows the announcement last week that the French Government had honored Rainbow Warrior saboteur Alain Mafart by making him a knight of the Order of Merit.

Colonel Mafart was convicted of manslaugher after the 1985 bombing of the Greenpeace ship in Auckland harbour.

Mr. McKinnon, who last week termed the medal honour "appalling," said in light of the French action, New Zealand's response to Bastille Day was appropriate. New Zealand's embassy in Paris would also take "the appropriate level of commitment as we are doing here," he said, indicating that Ambassador Judith Trotter would not attend Bastille Day functions in the French capital.

Mr. McKinnon said the government had a range of options, given the "event that has occurred (and) given the response that we have made...."

"You can go from doing nothing, to shouting from the rooftops, you can declare war and there are probably a hundred little variances in between," he told a press conference.

"It's very much a matter of deciding what the level of response should be. We've made a judgement."

Mr. McKinnon said he had sent French Ambassador Gabriel de Bellescize a note of protest, saying that the government and people of New Zealand believed that the award to Colonel Mafart was an insult and that people felt aggrieved by it.

New Zealanders believed the visit by former French Prime Minister Michel Rocard earlier this year had finally "put to bed" the Rainbow Warrior incident.

Jobless Account for Over 10 Percent of Workforce

BK0807014891 Hong Kong AFP in English 0101 GMT 8 Jul 91

[Text] Wellington, July 8 (AFP)—Unemployed people now accounted for 10.1 percent of New Zealand's labour force, the statistics department said Monday.

In a statement it said 163,800 people were unemployed in June, up from 160,100 in April.

Opposition Labour Party employment spokesman Paul Swain said the figures showed why there was a climate of fear in New Zealand.

In a statement he said with one person becoming jobless every 10 minutes, few people felt safe in their jobs and their fear was stifling innovation.

"People continue to work hard but their heads are down and they live in fear of being made redundant," he said.

Vanuatu

Prime Minister Tries To Suspend Party Chief

BK0907071091 Hong Kong AFP in English 0527 GMT 9 Jul 91

[Text] Port Vila, July 9 (AFP)—A showdown between top officials of Vanuatu's ruling Vanua'aku Party seemed imminent Tuesday after Prime Minister Walter Lini tried to suspend party Secretary General Donald Kalpokas.

In reply, Mr. Kalpokas described Father Lini as "dictatorial" and rejected the attempt to suspend him as "null and void."

Father Lini sacked Mr. Kalpokas from the post of foreign minister last month, accusing him of disloyalty.

But Mr. Kalpokas said the prime minister had no authority to suspend him as the party's secretary general. The only bodies which were competent to do so were the party's disciplinary board and its congress, he said in a letter to Father Lini.

The text of the letter was made available to AFP and Mr. Kalpokas confirmed that he had sent it.

He said that the party's executive would meet on Wednesday to discuss the incident and to consider proposals to hold a special party congress next month to elect new officials.

Earlier reports said that the executive decided on July 2 to hold the congress on August 7, but Mr. Kalpokas said no formal decision had yet been made.

He said he had "no idea" whether Father Lini would attend Wednesday's meeting, which would require a quorum of 15 of the 28 executive members to fix a date for the congress.

Mr. Kalpokas and the party's vice-president, Iolu Abbil, are regarded as strong contenders to succeed Father Lini as party president and prime minister.

Mr. Abbil was sacked from the Home Affairs Ministry at the same time as Mr. Kalpokas was dismissed as foreign minister.

Mr. Kalpokas said that Father Lini's latest move against him followed the convening of the July 2 executive meeting, but he rejected them as "invalid."

"Under the Pati Constitution you do not have the authority to suspend the secretary general of the Pati," he wrote, using the vernacular word for party.

"Under the circumstances your letter is null and void."

He concluded: "I am amazed that pati democracy and principle are no longer carried out. Your action, once more, demonstrates a dictatorial attitude."